

In the Matter of: )  
 )  
Regular Meeting )  
\_\_\_\_\_ )

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMISSIONERS PRESENT

Richard B. Shapiro, Chairperson

John Andreini

William A. Bianco

John C. Harris

Jerry Moss

STAFF

Ingrid Fermin, Executive Director

Roy Minami, Assistant Executive Director

John Reagan, Senior Parimutuel Examiner

ALSO PRESENT

Derry L. Knight  
Deputy Attorney General

Joseph Barkett  
Solano County Fair

Christopher Korby  
California Authority of Racing Fairs

Corey J. Oakley  
Sonoma County Fair

Craig Fravel  
Del Mar Thoroughbred Club

Drew Couto  
Thoroughbred Owners of California

Ed Halpern  
California Thoroughbred Trainers

Howard L. Zucker  
Public Trainer

ALSO PRESENT - continued

Darrell Haire  
Jockeys Club

Ron Charles  
Magna Entertainment Corporation

Billy Koch  
Little Red Feather

Sherwood Chillingworth  
Oak Tree Racing Association

Cliff Goodrich

Richard Castro  
Pari-Mutuel Employees Guild

Douglas Kempt  
Pari-Mutuel Employees Guild

Michael L. Knapp  
Surfside Race Place at Del Mar

Mike Willman  
Santa Anita Park

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## P R O C E E D I N G S

3:13 p.m.

EXECUTIVE DIRECTOR FERMIN: If we could have everyone sit down we'll open the meeting.

Ladies and gentlemen, would the meeting please come to order. This is a regular meeting of the California Horse Racing Board on Thursday, May 25th, at Los Alamitos Race Course, 4961 Katella Avenue, Los Alamitos, California.

Present today for this, this meeting, we have Chairman Richard Shapiro; Commissioner John Andreini; Commissioner William Bianco; Commissioner John Harris, Commissioner Jerry Moss.

We're going to adjourn at this time and go into Executive Session, and it should be a short session.

(Thereupon, the Board adjourned to convene the Executive Session.)

EXECUTIVE DIRECTOR FERMIN: We'll bring the meeting back to order, please.

Before we go into the business part of the meeting I'd like to ask everyone, or remind everyone to please state your name for the record prior to speaking to the Board, and to speak, obviously, clearly so that we can have a good record. And thank you very much, Mr. Chairman.

CHAIRPERSON SHAPIRO: Thank you. And good afternoon.

1           Okay. We're going to start with the meeting. The  
2 first is to -- a discussion and action for the Board  
3 approval of the minutes. Has everybody reviewed the  
4 minutes? Do they have any comments, corrections? If not,  
5 I'd entertain a motion to approve the minutes, please.

6           It's been seconded. All in favor?

7           (Ayes.)

8           CHAIRPERSON SHAPIRO: They are approved.

9           The next matter is the Application to Conduct a  
10 Race Meeting of the Solano County Fair at Vallejo.

11          Jack, you go ahead.

12          ASSISTANT EXECUTIVE DIRECTOR MINAMI: Roy Minami,  
13 Horse Racing Board staff.

14          This is the Application to Conduct a Fair Meeting  
15 for the Solano County Fair. The fair plans to race from  
16 July 24 -- July 12th to July 24th, 11 days, the same days as  
17 2005. They'll be racing five days the first week, and six  
18 days the second week. The first post will be at 12:45, and  
19 there are no outstanding items, and the staff recommends  
20 that the Board approve the application.

21          CHAIRPERSON SHAPIRO: Okay, thank you.

22          I see a representative is standing there.

23          MR. BARKETT: Yes. Joe Barkett, General Manager,  
24 Solano County Fair, if you have any questions.

25          CHAIRPERSON SHAPIRO: Thank you. Do any of the

1 members have any questions they wish to ask? I think I have  
2 a couple.

3 Mr. Barkett, you list all -- first of all, what  
4 ADW providers carry your signal?

5 MR. BARKETT: All, all three.

6 CHAIRPERSON SHAPIRO: All -- so UBET, HRTV, and  
7 TVG?

8 MR. BARKETT: Yes.

9 CHAIRPERSON SHAPIRO: Okay. And this is not  
10 necessarily a question just directed to you, but again, I  
11 see that there are a lot of different entities that is, that  
12 the signal is sent to. Does anybody in, in your  
13 organization or through CARF, do they check these out at  
14 all, do you know?

15 MR. BARKETT: I'll do my best to answer your  
16 question, Mr. Chairman.

17 CARF handles, coordinates and manages the  
18 contracts for out of state simulcasting. I, I'm not sure  
19 what you mean by check these out.

20 CHAIRPERSON SHAPIRO: Well, in other words, do you  
21 do any due diligence on who, who it is you're doing business  
22 with and you're sending your signals to?

23 MR. BARKETT: We, we make an effort to determine  
24 whether or not they're in -- in North America, whether or  
25 not they're licensed by the jurisdiction in which they

1 operate. For those that, for those that are offshore, we do  
2 the best we can as far as determining that they are actually  
3 a licensed entity.

4 CHAIRPERSON SHAPIRO: Okay. And when you say you  
5 do the best you can, what does, what, what do you do? I  
6 mean, I -- and I'm not picking on anybody, but this has  
7 consistently troubled me, and it's not, again, just your  
8 application. But I see one here, Stevenson and Associates,  
9 okay, and, and I'm questioning what is Stevenson and  
10 Associates. Is, is that a -- what kind of an entity would  
11 that be?

12 MR. BARKETT: Stevenson and Associates is, I might  
13 characterize them as a, a subsidiary simulcast coordinator  
14 that packages contracts for various simulcast entities in --  
15 some of which are in the U.S. and some of which are not.

16 CHAIRPERSON SHAPIRO: So, so how would we know,  
17 and I invite staff to comment here, as well, that Stevenson  
18 Associates isn't sending the signal to some illegal offshore  
19 entity that is using that signal then to have wagers placed  
20 on it that don't benefit California or the industry? And I  
21 see Mr. Reagan got up. Maybe he can answer.

22 SENIOR PARIMUTUEL EXAMINER REAGAN: Commissioners,  
23 John Reagan, CHRB staff.

24 We've actually had several meetings with the  
25 Stevenson management over the years. They've actually

1 appeared at some of our parimutuel meetings as a management  
2 organization, as a provider of simulcasts connections  
3 throughout the Caribbean and other locations and, and those  
4 areas South America will not. We found them to be a very  
5 serious organization with a racing background, people that  
6 were just as interested in -- as we are in providing the  
7 signals to appropriate organizations, and they have people  
8 that we have worked with in California that have become part  
9 of that, that management team.

10 So as much as possible, we, we believe that they  
11 are making a serious effort to do business with legitimate  
12 people, people that will pay the bills and treat the signal  
13 properly. And that's about as much as we can do.

14 CHAIRPERSON SHAPIRO: Okay. Mr. Barkett, in terms  
15 of your cameras that they use at the track to, for  
16 officiating. It says three cameras and towers, one hand-  
17 held camera, and one pan camera in the announcer's booth.  
18 Does that mean, do these cameras have head-on, are they  
19 head-on cameras? And, and also could you just elaborate on  
20 what equipment's available at the stewards to make sure that  
21 they're getting a clear picture to be able to see the races?

22 MR. BARKETT: The stewards did have a concern last  
23 year, which I discussed with them. We had some trees that  
24 were blocking some of the views. We added a camera, we did  
25 extensive pruning of the trees, and they are satisfied now

1     that they have clear views.  At least that's my  
2     understanding.

3             CHAIRPERSON SHAPIRO:  And, and is, are one of  
4     these cameras a head-on camera, do you know?

5             MR. BARKETT:  Yes, I think.

6             EXECUTIVE DIRECTOR FERMIN:  They, they have a pan  
7     of seven-eighths, and then they have a head-on through the  
8     stretch.  I don't know about the, whether the other one that  
9     they asked for was, was at the 5/16th, the one that brings  
10    them around the turn?

11            MR. BARKETT:  Yes.

12            CHAIRPERSON SHAPIRO:  And is there, so is there  
13    not a head-on view going down the back stretch?

14            EXECUTIVE DIRECTOR FERMIN:  Three-eighths?

15            MR. BARKETT:  I, I don't think we have head-on  
16    view of the entire back stretch, but we added a camera back  
17    there.

18            EXECUTIVE DIRECTOR FERMIN:  Well, you have a  
19    three-eighths, a seven-eighths, and a pan, but you -- I, I  
20    misspoke.  But you probably don't have the five, 5/16th that  
21    we've been talking about.  Is that correct?

22            MR. BARKETT:  No, we don't.

23            CHAIRPERSON SHAPIRO:  Well, I'm, I think that it  
24    would be helpful to us that if, if we could get an update  
25    and know exactly what type of cameras that you have here,

1 and so that we make sure that our officials have the tools  
2 that they need to, to do the officiating, and I think that,  
3 you know, we, we've brought this up with other racing  
4 associations that it might be useful to us to make sure that  
5 we have the right cameras in the right places.

6 COMMISSIONER HARRIS: One thing I think would be  
7 useful would be if at the conclusion of each meet, if the  
8 stewards could give us a report of what all suggestions they  
9 feel are needed, including camera angles, and all those are  
10 looked at and incorporated into the next license application  
11 to see how they're dealt with, because it seems like a lot  
12 of times there's issues that sort of out there but we don't  
13 necessarily resolve them.

14 I think in this case they probably have, but it'd  
15 be a good protocol.

16 MR. KORBY: Mr. Chair, if I may. Chris Korby,  
17 California Authority of Racing Fairs.

18 Speaking to the matter of the 5/16ths camera. We  
19 have made arrangements to install a 5/16ths camera for the  
20 officials at each fair. Whether or not we will have it in  
21 place by the opening of the first two fairs is still a  
22 matter to be worked out, just getting power there, getting  
23 the mounts in place, and so forth. But we have entered into  
24 an agreement with our video company to provide such a  
25 camera. They have the equipment, we're going to be

1 installing it.

2 CHAIRPERSON SHAPIRO: Well, okay. I appreciate  
3 that. Could you report back to staff and let them know,  
4 because I think we, we think that it probably should be in.  
5 And you have a couple, month and a half or so, to get that  
6 done, and perhaps you can get that done and, and let staff  
7 know whether that's done.

8 MR. KORBY: Will do.

9 CHAIRPERSON SHAPIRO: For this meeting and the  
10 others.

11 MR. KORBY: I'm sorry?

12 CHAIRPERSON SHAPIRO: For this meeting, and, and  
13 for the other fairs.

14 MR. KORBY: Right.

15 CHAIRPERSON SHAPIRO: I also notice that on the  
16 backstretch housing, it said that there was one restroom for  
17 25 people. And I don't know if that's customary at, at a  
18 lot of tracks, but it just seemed, is that something that  
19 historically has been the case, or --

20 MR. BARKETT: That is our permanent restroom  
21 that's back there.

22 CHAIRPERSON SHAPIRO: That's -- you have --

23 MR. BARKETT: We do.

24 CHAIRPERSON SHAPIRO: Oh, okay. Great.

25 COMMISSIONER HARRIS: I'm not sure it actually,

1 not to pick on Vallejo, but in that overall statistic we  
2 talk about restrooms. I don't know if those mean restrooms  
3 as a building, or just restrooms as one --

4 CHAIRPERSON SHAPIRO: Facilities.

5 COMMISSIONER HARRIS: Facilities.

6 CHAIRPERSON SHAPIRO: And I'm not trying to pick  
7 on Vallejo, either.

8 MR. BARKETT: That's a separate facility that,  
9 that we refer to.

10 CHAIRPERSON SHAPIRO: All right. Does anybody  
11 else have any comments or -- if not, I'd entertain --

12 COMMISSIONER HARRIS: Are any of the issues, just  
13 so we know, and it may come up later, on the ADW contracts  
14 as far as the hub fees, or any fee issues that are in  
15 dispute between the track and or the horsemen and the ADW  
16 providers?

17 MR. KORBY: We have none. Chris Korby, California  
18 Authority of Racing Fairs. We have none. We have contracts  
19 in place, and my friend, Mr. Koch, who was just shaking his  
20 head, no there is not an issue with the horsemen with  
21 respect to the fairs.

22 CHAIRPERSON SHAPIRO: All right. Does anybody  
23 want to make a motion? If not, I'll make a motion to  
24 approve this license application.

25 Is there a second?

1 COMMISSIONER BIANCO: Second.

2 CHAIRPERSON SHAPIRO: Seconded.

3 All those in favor?

4 (Ayes.)

5 MR. BARKETT: Thank you.

6 CHAIRPERSON SHAPIRO: Thank you.

7 The next item is consideration of the racing  
8 license application at Santa Rosa.

9 ASSISTANT EXECUTIVE DIRECTOR MINAMI: Roy Minami,  
10 Horse Racing Board staff.

11 This is the application for Sonoma County Fair to  
12 run at Santa Rosa from July 26th to August 7th. They will  
13 -- propose to race 12 days, the same as last year. They  
14 will be racing Wednesday through Monday with ten races, and  
15 12 races on Friday, Saturday and Sunday. The first post  
16 will be at 12:45, and a 2:15 post on Fridays.

17 They do not have any outstanding documents, and  
18 the staff recommends that the Board approve the application.

19 CHAIRPERSON SHAPIRO: Thank you.

20 MR. OAKLEY: Corey Oakley, of the Sonoma County  
21 Fair. Excuse me.

22 CHAIRPERSON SHAPIRO: Welcome. Would I be correct  
23 in assuming that the ADW contracts are governed, are they  
24 all done by CARF, so that all your agency contracts are the  
25 same as what we just heard?

1 MR. OAKLEY: Yes.

2 CHAIRPERSON SHAPIRO: Yes. Thank you.

3 In terms of, of the cameras on the -- viewing the  
4 races, you also are working to getting a 5/16th camera?

5 MR. OAKLEY: Yes. As a matter of fact, I was just  
6 speaking with Mr. Port from Pegasus, who does our, all of  
7 our cameras, and we will have the 5/16th at the head of the  
8 back stretch.

9 CHAIRPERSON SHAPIRO: Okay. And you have a head-  
10 on for your turf course, I see.

11 MR. OAKLEY: Yes.

12 CHAIRPERSON SHAPIRO: And you're not doing toast  
13 for the turf, you're to the chute?

14 MR. OAKLEY: Toast of the turf was a great  
15 promotion, but --

16 CHAIRPERSON SHAPIRO: Yeah, it was --

17 MR. OAKLEY: The first time.

18 CHAIRPERSON SHAPIRO: I thought it was great.

19 I was very impressed with your promotion, the  
20 promotions and things that were in your license application  
21 and want to compliment you on that.

22 MR. OAKLEY: Thank you.

23 CHAIRPERSON SHAPIRO: And also your disclosing how  
24 much money you spend on your advertising. I thought that  
25 was very forthcoming.

1           Can you describe the new grandstand upper level  
2 guest information booth? That, that sounded very  
3 interesting, too.

4           MR. OAKLEY: The majority of our upstairs guests  
5 are casual players, as well as VIPs and that kind of thing.  
6 And they, they spend a lot of time up there in the boxes and  
7 in the, in the executive seats. The more, the more serious  
8 ones sometimes are downstairs. We noticed that we have a  
9 lot of folks coming downstairs, spending a lot of time kind  
10 of going up and down to get information, and so we decided  
11 that it would be best if they were spending their time  
12 either at the machines, the windows, or eating. So we put,  
13 we're going to put, we're going to go ahead and put a guest  
14 services center right there at that level.

15           It just is, you know, a logistics issue for us, but  
16 we wanted to make sure that the folks didn't have to go too  
17 far. Basically, it will, it will have betting information,  
18 if that's necessary, general horse racing information, and  
19 any other questions that, that come up. We just really felt  
20 the need to have a guest services operation up there at  
21 that, at that level.

22           CHAIRPERSON SHAPIRO: I thought it was, again, I  
23 was very impressed with your application.

24           Does anybody have any questions they wish to ask?

25           COMMISSIONER HARRIS: I'd just like to amplify

1 that. I think it's great that Santa Rosa establish their,  
2 their turf course, and I would think it would work even  
3 better this year than it did last year, and it's really  
4 exciting for racing.

5 MR. OAKLEY: Thank you.

6 CHAIRPERSON SHAPIRO: All right. Do we have a  
7 motion to approve this application?

8 COMMISSIONER HARRIS: So move.

9 CHAIRPERSON SHAPIRO: Second?

10 COMMISSIONER BIANCO: Second.

11 CHAIRPERSON SHAPIRO: All those in favor?

12 (Ayes.)

13 MR. OAKLEY: Thank you.

14 CHAIRPERSON SHAPIRO: Congratulations.

15 All right. The next item is to conduct a race  
16 meeting at the Del Mar -- by the Del Mar Thoroughbred Club.

17 ASSISTANT EXECUTIVE DIRECTOR MINAMI: Roy Minami,  
18 Horse Racing Board staff.

19 This is the application for the Del Mar  
20 Thoroughbred Club. They'll be running from July 19th  
21 through September 6th, be running 45 days, the same as last  
22 year. They'll be racing six days per week. The first post  
23 will be 2:00 p.m. daily, 1:00 p.m. on Sundays, August 20th;  
24 3:30 p.m. Friday, August -- August 18, 25, and September 1;  
25 and 4:00 o'clock on Friday, July 21, 28, and August 4 and

1 11.

2 As indicated in the staff analysis, there are a  
3 few changes from the 2005 application. They've increased  
4 the admission and clubhouse parking, membership to the  
5 season turf club, season box seats. They've also increased  
6 the number of rooms for housing on the backstretch from 654  
7 to 666, and the number of restrooms for the backstretch  
8 personnel. At this time the only item we have outstanding  
9 is the horsemen's agreement, and we are told that that is in  
10 negotiations at this time.

11 The staff recommends that the Board approve the  
12 application contingent upon receiving the horsemen's  
13 agreement.

14 CHAIRPERSON SHAPIRO: I see Mr. Fravel is there.  
15 Can we first deal with the horsemen's agreement, as we  
16 know --

17 MR. FRAVEL: Yeah. Craig Fravel, Del Mar  
18 Thoroughbred Club.

19 Both horsemen's agreements have actually been  
20 mailed to staff. I think the TOC agreement was fed-ex'd up  
21 on Wednesday, so it should've been there yesterday morning.

22 CHAIRPERSON SHAPIRO; So there has been an  
23 agreement that's been reached?

24 MR. FRAVEL: Both are agreed upon and signed.

25 CHAIRPERSON SHAPIRO: Thank you.

1           Mr. Fravel, would it be true to -- that you have a  
2 new head-on camera?

3           MR. FRAVEL: The John Harris Memorial Head-on Turf  
4 Camera. And I emphasize memorial.

5           CHAIRPERSON SHAPIRO: I heard that. Could you  
6 tell us exactly how tall this is?

7           (Parties speaking simultaneously.)

8           MR. FRAVEL: I believe it's 80 feet. It's a  
9 broadcast standard camera, the same as the other cameras on  
10 the race track, and so that will be fully operational for  
11 the 2006 meet.

12          CHAIRPERSON SHAPIRO: Thank you.

13          COMMISSIONER HARRIS: That's great. Did they -- I  
14 saw in the application that you built the tower. I thought  
15 possibly that was just the tower and next year you were  
16 going to get the camera.

17          MR. FRAVEL: We thought about just building the  
18 tower and leaving it empty, and we figured you're easy to  
19 fool. But --

20          CHAIRPERSON SHAPIRO: And is your -- I know that  
21 when I was down there last you were building a new barn. Is  
22 that barn there?

23          MR. FRAVEL: There -- actually, all the front side  
24 barns except for W Barn have been torn down. X and Y I  
25 believe are the numbers. And the large-scale multi-purpose

1 livestock facilities have been replaced, they've been  
2 replaced with livestock facilities to the tune of about \$15  
3 million. And so horsemen who have previously stabled on the  
4 front side will have new facilities to be in. And they're  
5 huge.

6 CHAIRPERSON SHAPIRO: And with respect to ADW  
7 wagering, are your ADW wagering agreements in place, and who  
8 will be broadcasting?

9 MR. FRAVEL: Our in-state ADW providers are TVG  
10 and UBET, and out of state the signal is also carried by  
11 Express Bet for certain jurisdictions where there are not  
12 TVG exclusives, and America Tab, under a sub-license  
13 agreement with TVG.

14 COMMISSIONER HARRIS: So there's no disputes on  
15 any of the funds, as far as any, any --

16 MR. FRAVEL: No, not yet.

17 COMMISSIONER HARRIS: Well, I mean, is it done?

18 MR. FRAVEL: We haven't got a horsemen's consent  
19 yet on those.

20 COMMISSIONER HARRIS: Well, I thought that was  
21 part of the horsemen's agreement. No?

22 MR. FRAVEL: Not specifically on that one, no.

23 COMMISSIONER HARRIS: I think it's -- well, I  
24 think it is important that we get these things resolved, you  
25 know, sooner rather than later, so we don't get to opening

1 day and, and have a dispute.

2 CHAIRPERSON SHAPIRO: Are there any other  
3 questions?

4 MR. COUTO: Good afternoon. Drew Couto,  
5 Thoroughbred Owners of California.

6 I agree with you, Mr. Harris. We brought this  
7 matter in front of the Horse Racing Board in February. It  
8 wasn't heard in February, March or April at the request of  
9 Senator Flores. There's a hearing on this up in Sacramento  
10 on June 13th. So it's difficult to resolve something we  
11 can't get a hearing on, but we're doing our best to, to get  
12 it worked out. We had, we had an arrangement that allowed  
13 Hollywood Park to go up despite the dispute, and I would  
14 imagine if we don't have these issues resolved either in  
15 front of the Horse Racing Board or the Senate that we'll  
16 have a similar agreement that allows Del Mar to go forward.

17 We have not been permitted to meet with TVG. We  
18 have not been invited to meet with them since this has  
19 started, so it's difficult to come to a resolution when  
20 you're not invited to the table and you can't meet. We're  
21 doing our best.

22 COMMISSIONER HARRIS: I'm not clear how you got it  
23 resolved with the fairs, as far --

24 MR. COUTO: The fairs are non-exclusive  
25 arrangements. They're under all three. The problem exists

1 when you have an exclusive arrangement.

2 EXECUTIVE DIRECTOR FERMIN: Can I just ask -- Mr.  
3 Fravel, I know you haven't had a chance to discuss this. I  
4 talked to Mr. Robbins, and just maybe as a matter of record,  
5 I had some concern about Barn KK being the detention barn,  
6 and that there was a problem with that last year, and  
7 whether is that something that we could just at least  
8 discuss, instead of having --

9 MR. COUTO: Yeah, I asked --

10 EXECUTIVE DIRECTOR FERMIN: -- it just be adopted.

11 MR. COUTO: I asked Mr. Robbins to get in touch  
12 with you and sit down and discuss if you'd like to make some  
13 changes in that.

14 EXECUTIVE DIRECTOR FERMIN: Okay.

15 MR. COUTO: But we'll work with staff to get that  
16 done properly.

17 EXECUTIVE DIRECTOR FERMIN: Okay. Thank you.

18 MR. COUTO: Thank you.

19 MR. JAMGOTCHIAN: Mr. Chairman, members of the  
20 Board, Jerry Jamgotchian. With regards to this application,  
21 that was -- my first question is that are the horses going  
22 to be taken out of their stalls to a detention barn at Del  
23 Mar? Is that what's going to happen? Because I note in  
24 here there's a detention barn requirement in the KK. So --

25 CHAIRPERSON SHAPIRO: I believe, Mr. Jamgotchian,

1 that deals with if there's a TCO2 positive, that they have  
2 set aside a barn area that will be -- have the security and  
3 those are the detention stalls that they're referring to.

4 MR. JAMGOTCHIAN: Fine. So it's for violations --  
5 okay. That's fine. But not horses in graded races -- it's  
6 not a detention barn for all, all graded races or all races,  
7 or like stakes. There's not that requirement; correct?

8 CHAIRPERSON SHAPIRO: That's correct.

9 MR. JAMGOTCHIAN: Okay. Secondly, I'm hearing  
10 things with regards to Del Mar's desire to acquire funds for  
11 their Poly track, and I'm hearing that Del Mar is going to  
12 be charging stall rent at their upcoming meet, or future  
13 meets, to, to generate income for a Poly track. I wanted to  
14 ask two questions.

15 One, what's the Board's position on stall rent?  
16 It's going to negatively affect all the owners in  
17 California. And secondly, if, in fact, Del Mar is going to  
18 do that, if Mr. Fravel would like to come in and -- come up  
19 and address that. I'd like to know from him if that's  
20 what's going to happen.

21 MR. FRAVEL: Well, let me just answer that  
22 question. California law prohibits us from charging stall  
23 rent during our race meet, and we have absolutely no  
24 intention of attempting to do that. So I think that's one  
25 of those rumors that is simply unfounded.

1           CHAIRPERSON SHAPIRO:   Okay.   Thank you.

2           All right.

3           MR. JAMGOTCHIAN:   Excuse me.   I have two other  
4   issues.   With regards to the Poly track update, does the  
5   Board have any information with regards to Del Mar's Poly  
6   track update?

7           CHAIRPERSON SHAPIRO:   I don't believe that that is  
8   something that would come under this item, Mr. Jamgotchian.  
9   This is to consider their current racing license  
10   application, and therefore it's not really party to this  
11   discussion.

12          MR. JAMGOTCHIAN:   So it's not, it's not a question  
13   I want to ask, then.   Okay.

14          Additionally, the -- or finally, I guess, the  
15   thing that is most concerning to me is what occurred last  
16   year at Del Mar with regards to Intercontinental.   Courtesy  
17   of Scott Cheney, we got declarations --

18          CHAIRPERSON SHAPIRO:   Okay.   Mr. Jamgotchian,  
19   we're --

20          MR. JAMGOTCHIAN:   Excuse me.

21          CHAIRPERSON SHAPIRO:   No, excuse me.

22          MR. JAMGOTCHIAN:   This is --

23          CHAIRPERSON SHAPIRO:   Excuse me.

24          MR. JAMGOTCHIAN:   -- this relates to security.

25          CHAIRPERSON SHAPIRO:   No.   Mr. Jamgotchian, we are

1 hearing the racing license application of this applicant.  
2 If you have questions about their racing license application  
3 that's before us, we will deal with that. We are not going  
4 to get into any discussion about Intercontinental or Scott  
5 Cheney, or anything else.

6 MR. JAMGOTCHIAN: It has to do --

7 CHAIRPERSON SHAPIRO: And there is a hearing that  
8 is scheduled for that, and we will hear those issues at that  
9 time.

10 MR. JAMGOTCHIAN: It, it has to do with Exhibit 9  
11 of their application, page 4-25, where it says they're  
12 implementing enhanced security for all greater races. So  
13 Mr. Shapiro, if you want to review that page we can talk  
14 about that.

15 One of the issues that you need to consider is  
16 during any race, stakes race, Intercontinental or any other  
17 stakes race, it was clear last year that there were no  
18 communications between Mr. Templeton, Mr. Fravel, Mr.  
19 Harper, the vets, the CHRB, nobody. Any racehorse,  
20 including Intercontinental, who got a late Lasix shot, Mr.  
21 Fravel signed a declaration under penalty of perjury that he  
22 didn't even know anything about it.

23 CHAIRPERSON SHAPIRO: Then, Mr. Jamgotchian, is  
24 your question that you'd like to ask is, are you asking if  
25 there will be any communications equipment at Del Mar that

1 will be utilized in connection with any surveillance that  
2 is, is used during the race meeting; is that your question?

3 MR. JAMGOTCHIAN: Well, that's one of them. Let  
4 me --

5 CHAIRPERSON SHAPIRO: Okay. So, so ---

6 MR. JAMGOTCHIAN: -- a general question would be  
7 if the Board --

8 CHAIRPERSON SHAPIRO: -- let's stay to general  
9 questions.

10 MR. JAMGOTCHIAN: -- if the, if the Board's  
11 position with regards to this issue of security, if it's, in  
12 fact, important, because last year, obviously, there were  
13 some severe breakdowns with regards to this incident, as  
14 well as other horses, that weren't even being monitored.  
15 So, so this Exhibit Number 9 --

16 CHAIRPERSON SHAPIRO: What is your question? Just  
17 tell me what the question is. What you're asking is that  
18 you would like to know whether there's communication  
19 equipment that will be utilized, then let me ask Mr. Fravel.

20 MR. JAMGOTCHIAN: Right. We'll start with that.

21 CHAIRPERSON SHAPIRO: Mr. Fravel, will there be  
22 communications equipment that will be utilized at your race  
23 meeting for the monitoring of stakes horses?

24 MR. FRAVEL: Well, as Mr. Channey's report  
25 indicated, we have extensive communications equipment

1 amongst various people. That doesn't mean everybody's  
2 always on the same channel at the same time, and the, the  
3 fact of the matter is I understand Mr. Jamgotchian's  
4 question, and I think there, there are parts of it that  
5 obviously, you know, we can all improve what we do  
6 constantly. And we don't think we're perfect and have no  
7 pretensions of being perfect. And Ms. Fermin actually sent  
8 an e-mail to Mr. Robbins and I the other day to make sure  
9 that we schedule an extensive pre-race conference with our  
10 security and management and Racing Department so that we can  
11 improve, in whatever failures we may have had in the past,  
12 that we can improve that communication security and whatever  
13 other coordination between the CHRB staff and our own.

14 So we plan on having that meeting in the not too  
15 distant future, including stewards, security, CHRB staff,  
16 our Racing Department, and anybody else who needs to be  
17 included in that.

18 CHAIRPERSON SHAPIRO: All right. Thank you very  
19 much.

20 MR. JAMGOTCHIAN: That, that's a very nice answer,  
21 but there was a pre-race conference prior to the last meet.

22 CHAIRPERSON SHAPIRO: Okay. Mr. Jamgotchian, you  
23 just heard the answer.

24 MR. JAMGOTCHIAN: That's an answer --

25 CHAIRPERSON SHAPIRO: I'm sorry. If you have

1 another question about this application that deals with this  
2 race meeting and their, the issuance of their license, then  
3 ask that question.

4 MR. JAMGOTCHIAN: Yes. I, I am, but you keep  
5 interrupting me. With regards to the security issues,  
6 communications was a problem. Now, are they going to have  
7 communications where everybody's going to find out? Like,  
8 with regards to Intercontinental, nobody allegedly found out  
9 until Sam Templeton walked up to the CHRB investigators.  
10 There needs to be something -- I mean, Richard, if you don't  
11 care about this, just ask me to sit down. But last year  
12 with the Intercontinental, people were outright taken  
13 advantage of by --

14 CHAIRPERSON SHAPIRO: Okay.

15 MR. JAMGOTCHIAN: -- this race --

16 CHAIRPERSON SHAPIRO: Mr. Jamgotchian, I certainly  
17 care. I am, I am assured that Del Mar is going to do their  
18 best to make sure that the communications are sufficient and  
19 as best as they can be. And hopefully, they will pull it  
20 off and it will all go well. I know they are trying their  
21 best. Mistakes happen, errors happen. We thank you for,  
22 for bringing to our attention a matter that we were unaware  
23 of, and so at this point I think that it's been asked and  
24 it's been answered.

25 MR. JAMGOTCHIAN: Well, doesn't that concern --

1           CHAIRPERSON SHAPIRO: Thank you.

2           MR. JAMGOTCHIAN: -- you? Doesn't that concern  
3 you that --

4           CHAIRPERSON SHAPIRO: I've already said it  
5 concerns me and, and I think we'll move forward.

6           I'd like to have a motion to approve this  
7 application, if there are no further questions.

8           COMMISSIONER HARRIS: One thing I might mention is  
9 that actually I support what they're doing on the TCO2, but  
10 we need to keep in mind that these sanctions are track  
11 sanctions. They do not, they are, they are in addition to  
12 whatever CHRB sanctions are on, on high TCO2, so they will,  
13 it'll supplant those. They just --

14          CHAIRPERSON SHAPIRO: You're correct.

15          COMMISSIONER HARRIS: They'll supplement them.

16          CHAIRPERSON SHAPIRO: That's now administered by  
17 the CHRB, and so you're correct.

18          COMMISSIONER HARRIS: There are two parts of it.  
19 Parts of it --

20          CHAIRPERSON SHAPIRO: Correct, and I think it's  
21 good that you brought that up.

22          Is that a motion?

23          COMMISSIONER HARRIS: Yeah. I'll make a motion to  
24 approve the application.

25          CHAIRPERSON SHAPIRO: Is there a second?

1 COMMISSIONER BIANCO: Second.

2 CHAIRPERSON SHAPIRO: All those in favor?

3 (Ayes.)

4 CHAIRPERSON SHAPIRO: Consider it passed.

5 Okay. The next matter is approval, a discussion  
6 and action by the Board on the approval of service, Steward  
7 and Official Veterinarian contracts.

8 ASSISTANT EXECUTIVE DIRECTOR MINAMI: Roy Minami,  
9 Horse Racing Board.

10 This is, what you have is an attached list of our  
11 service contracts, official veterinarians and stewards.  
12 These are contracts that are required to be approved by the  
13 Board. They're required of us through the Department of  
14 General Services, and they're state regulations.

15 All these, some of these contracts are multi-year  
16 contracts. However, there really aren't any changes as far  
17 as stewards and veterinarians, because we do the schedule  
18 each year. I do want to point out that on the stewards  
19 contracts, that those, because they are on the list does not  
20 guarantee them any specific dates. The Executive Director  
21 puts together the schedule each year, and so the dates could  
22 change. But they are on there because the contracts  
23 regulations for the State require the Board approval. So  
24 that's why there are some on there who have less dates than  
25 others, but I do want to make it clear that none of the

1     stewards have any guaranteed dates.

2                 EXECUTIVE DIRECTOR FERMIN:   I'd also like, these,  
3     most of these had been approved at earlier meetings, and the  
4     main reason that we are doing this now is because of the  
5     changes in the official veterinarians, that we had some  
6     additions and changes there, and therefore it had to come  
7     back on to the agenda, with Dr. Beck and Dr. Dooley coming  
8     back on board.

9                 CHAIRPERSON SHAPIRO:   So if I, if I understand  
10    this properly, essentially what we are simply doing is, is  
11    approving the amounts in total that are allocated to these  
12    either group of people, such as the stewards or the vets,  
13    for the services that are provided.   Is that correct?

14                ASSISTANT EXECUTIVE DIRECTOR MINAMI:   That's  
15    correct.

16                CHAIRPERSON SHAPIRO:   Okay.   Does anybody have any  
17    questions?

18                COMMISSIONER HARRIS:   I think it's good to  
19    clarify, which I think Bruce's referral, and Ingrid Fermin  
20    did a great job of negotiating the, the deal with the  
21    University of California at Davis on the Equine Medical  
22    Director.   But that total cost of that program is more than  
23    just the CHRB part.

24                CHAIRPERSON SHAPIRO:   Yeah, but --

25                COMMISSIONER HARRIS:   So are there other moneys

1 going into that from industry and from UC itself?

2 CHAIRPERSON SHAPIRO: I'd like to clarify. As  
3 we've recently announced, Commissioner Moss and myself and,  
4 and Executive Director Fermin, we met with the University of  
5 California at Davis, and went through a full process to find  
6 a new Equine Medical Director. And the result, which we  
7 were pleased to announce, is that Dr. Rick Arthur has  
8 accepted the position and will be closing his private  
9 practice to become the Equine Medical Director, in a joint  
10 announcement from the Board and also the University at  
11 Davis. Everybody is very pleased with this.

12 To obtain Dr. Arthur, there was additional funding  
13 that was required, and we are very happy that some of that  
14 funding will be coming from private sources, it will be paid  
15 directly to UC Davis, so that we could get somebody of Dr.  
16 Arthur's stature to be the new Equine Medical Director. So  
17 I think it's very good news, and I want to thank  
18 Commissioner Moss for his help, and Executive Director  
19 Fermin and, and everybody else who participated in securing  
20 somebody of that caliber.

21 Okay. If, if there are no questions, then I'll  
22 entertain a motion to approve this.

23 MR. JAMGOTCHIAN: Excuse me. I have a question.

24 CHAIRPERSON SHAPIRO: Oh, I didn't see you.

25 Sorry. Go ahead.

1 MR. JAMGOTCHIAN: I think your, your appointment  
2 of Dr. Arthur is great.

3 CHAIRPERSON SHAPIRO: Thank you.

4 MR. JAMGOTCHIAN: I congratulate you on that.  
5 With regards to --

6 CHAIRPERSON SHAPIRO: Well, I, I just want you to  
7 -- would you make sure that the court reporter got that,  
8 that that was Jerry Jamgotchian saying we did something  
9 great, and he congratulated us. Thank you.

10 MR. JAMGOTCHIAN: I can assure you that when that  
11 happens I'll be more, more than happy to acknowledge it. I  
12 just don't see it happening a lot.

13 The, the basis of, of Mr. Arthur's salary, I see  
14 it's approximately 157,000 a year. Is that accurate?

15 CHAIRPERSON SHAPIRO: No. The amount that is, is  
16 paid from, from our funds is \$157,000. The additional money  
17 that he will receive, which has been approved by the UC  
18 Regents as well, is coming from private sources.

19 MR. JAMGOTCHIAN: Approximately how much is that?

20 CHAIRPERSON SHAPIRO: I believe it's about 43,000,  
21 45,000.

22 MR. JAMGOTCHIAN: Fine.

23 COMMISSIONER HARRIS: He's really employed by the  
24 UC system.

25 CHAIRPERSON SHAPIRO: Right. He's an employee of

1 the UC, of the UC system.

2 MR. JAMGOTCHIAN: Fine. The, the number on this  
3 sheet that, that bothers me the most as a, as a owner of  
4 racehorses in California, is the \$1,720,000 for steward  
5 services. Now, obviously, stewards are important. I don't  
6 disagree with that question. In fact, there are some, some  
7 very --

8 CHAIRPERSON SHAPIRO: Don't -- why don't you  
9 just --

10 MR. JAMGOTCHIAN: -- well-intentioned,  
11 knowledgeable stewards that have been employed recently.  
12 There's a couple of them here that I'm, I'm wondering why  
13 they keep being carried. One of them, I, I got to ask.  
14 From the perspective of the California Horse Racing Board,  
15 if a steward was fined and suspended in a prior state, why  
16 --

17 CHAIRPERSON SHAPIRO: Mr. Jamgotchian --

18 MR. JAMGOTCHIAN: -- no, no, I'm just asking a  
19 general question.

20 CHAIRPERSON SHAPIRO: -- I'm sorry. It's not on  
21 point. It's not on point, and we're not going to get into  
22 that. Now --

23 MR. JAMGOTCHIAN: No, it's what --

24 CHAIRPERSON SHAPIRO: -- if you want to address  
25 how much money is allocated to employing the stewards, if

1    you would -- we assure you that we would appreciate any  
2    support that you wish to lend to us to increase our budget  
3    so that we can have more veterinarians and more stewards and  
4    more staff, we'd be more than happy to accept that help.  
5    All we're doing here is reviewing the amounts and, and  
6    simply approving the amount that is allocated to these  
7    individuals. We're not going to go into --

8               COMMISSIONER HARRIS: We're not endorsing any one  
9    steward.

10              CHAIRPERSON SHAPIRO: It has nothing to do with  
11   individual stewards.

12              MR. JAMGOTCHIAN: No, no. I'm asking a general  
13   question. I'm asking a general question. You have a, a  
14   group of stewards here, but are there yearly reviews of  
15   these stewards? I mean, why do you -- as you know, Mr.  
16   Shapiro, these stewards are independent contractors. They  
17   have a year contract. If they don't do a good job, you can  
18   fire them immediately for cause. There's no reason to keep  
19   carrying these same stewards year by year by year as they  
20   continue to get the California Horse Racing Board in lawsuit  
21   after lawsuit after lawsuit.

22              The question I'm asking you is what is the Board  
23   going to do about a review process of stewards? Is that  
24   important to you?

25              CHAIRPERSON SHAPIRO: Yes. That is important.

1 MR. JAMGOTCHIAN: Okay. So what are you doing --

2 CHAIRPERSON SHAPIRO: Let me answer that question.

3 MR. JAMGOTCHIAN: -- about it?

4 CHAIRPERSON SHAPIRO: Okay. The Stewards  
5 Committee is, is meeting. It does meet throughout the year,  
6 and we, we are doing reviews of stewards. Okay. And we are  
7 moving forward to review all of our personnel, including our  
8 investigators and our stewards, and we are putting together  
9 programs and a protocol to do that. We are also moving  
10 forward to make sure that all of our stewards are accredited  
11 stewards. So that is taking place.

12 MR. JAMGOTCHIAN: So you're paying some stewards  
13 \$121,000 a year, Mr. Slennerd, to be specific. You're  
14 paying Mr. Slennerd \$121,000 a year. Now, to review Mr.  
15 Slennerd's work, or to review Mr. Sawyer's work, we have  
16 stewards that have been suspended in other states.

17 CHAIRPERSON SHAPIRO: All right. You know what?

18 MR. JAMGOTCHIAN: Don't you think --

19 CHAIRPERSON SHAPIRO: I'm just not going to  
20 indulge that. I'm just not going to go there. I'm sorry.  
21 I'm going to ask is there a motion to approve this?

22 MR. JAMGOTCHIAN: Well, wait, wait. I'm not --

23 CHAIRPERSON SHAPIRO: No. You know what?

24 MR. JAMGOTCHIAN: -- that's only one issue.

25 CHAIRPERSON SHAPIRO: If you're going there, I'm

1 not going there.

2 MR. JAMGOTCHIAN: That's only -- that's the --

3 CHAIRPERSON SHAPIRO: Mr. Jamgotchian, if you have  
4 a general question, I'm not going to allow you to bring up  
5 any particular individuals' names. I'm not going to do it.

6 MR. JAMGOTCHIAN: Okay. Is there --

7 CHAIRPERSON SHAPIRO: Okay? So either --

8 MR. JAMGOTCHIAN: -- any background work --

9 CHAIRPERSON SHAPIRO: If you want to ask a general  
10 question about what we're doing, then we're doing, then  
11 we're going to listen to you. Fine.

12 MR. JAMGOTCHIAN: Are there any background work  
13 done on these stewards prior to their, their independent  
14 contractor agreement?

15 CHAIRPERSON SHAPIRO: Yes, there is.

16 MR. JAMGOTCHIAN: Okay. So if, in fact, there's  
17 something in their background that nullifies them from being  
18 a steward, either being suspended or fined, how do you, how  
19 do you know about that?

20 CHAIRPERSON SHAPIRO: Because we do background  
21 checks.

22 MR. JAMGOTCHIAN: And so if --

23 COMMISSIONER HARRIS: Well, the purpose of this  
24 discussion was not to review the stewards. It's to approve  
25 the contract.

1           CHAIRPERSON SHAPIRO: That's correct.

2           COMMISSIONER HARRIS: I move we approve the  
3 contract.

4           MR. JAMGOTCHIAN: Okay. But --

5           CHAIRPERSON SHAPIRO: Is there a second?

6           MR. JAMGOTCHIAN: But a million 720 --

7           COMMISSIONER BIANCO: I second it.

8           CHAIRPERSON SHAPIRO: There's been a first and a  
9 second.

10          MR. JAMGOTCHIAN: Excuse me --

11          CHAIRPERSON SHAPIRO: No.

12          MR. JAMGOTCHIAN: Excuse me. I --

13          CHAIRPERSON SHAPIRO: No. We're done with the  
14 discussion.

15          MR. JAMGOTCHIAN: I have one last question.

16          CHAIRPERSON SHAPIRO: I'm sorry, but the  
17 discussion is closed. I --

18          MR. JAMGOTCHIAN: The discussion isn't closed, and  
19 now the --

20          CHAIRPERSON SHAPIRO: All those in favor?

21          (Ayes.)

22          CHAIRPERSON SHAPIRO: It's approved. We're done.

23          MR. JAMGOTCHIAN: This is not the way to handle a  
24 meeting. Let me ask one more question.

25          CHAIRPERSON SHAPIRO: The next matter up for --

1 Mr. Jamgotchian --

2 MR. JAMGOTCHIAN: One final question.

3 CHAIRPERSON SHAPIRO: -- we're done. No. We're  
4 done. Now, if you wish to stay in this meeting, then I ask  
5 you to stop.

6 MR. JAMGOTCHIAN: Why is that?

7 CHAIRPERSON SHAPIRO: Because I will ask to have  
8 you removed. That's why.

9 MR. JAMGOTCHIAN: Would you like to remove me, Mr.  
10 Shapiro?

11 CHAIRPERSON SHAPIRO: No. I personally am not  
12 going to remove you.

13 MR. JAMGOTCHIAN: Okay.

14 CHAIRPERSON SHAPIRO: I'm going to ask for you to  
15 be removed if you won't sit down.

16 MR. JAMGOTCHIAN: Well, I have a question. If you  
17 want to --

18 CHAIRPERSON SHAPIRO: No. Mr. --

19 MR. JAMGOTCHIAN: If you'd like to --

20 CHAIRPERSON SHAPIRO: -- Mr. Jamgotchian, please  
21 sit down.

22 MR. JAMGOTCHIAN: If you'd like to ask --

23 CHAIRPERSON SHAPIRO: Mr. Jamgotchian, please sit  
24 down. We're moving on.

25 MR. JAMGOTCHIAN: I'd like to ask a question.

1           CHAIRPERSON SHAPIRO: All right. I'm going to,  
2 I'm going to take a break from this meeting, and I'm going  
3 to ask that Mr. Jamgotchian be removed from the room if he's  
4 not going to sit down.

5           MR. JAMGOTCHIAN: Okay. You know what?

6           CHAIRPERSON SHAPIRO: It's that simple.

7           MR. JAMGOTCHIAN: That's fine. That's fine. No  
8 problem.

9           CHAIRPERSON SHAPIRO: Will you please sit down?

10          MR. JAMGOTCHIAN: No. I'll, I will leave the  
11 meeting, and I thank you for your courtesy.

12          CHAIRPERSON SHAPIRO: Thank you.

13          MR. JAMGOTCHIAN: Are you sure you want me to  
14 leave?

15          CHAIRPERSON SHAPIRO: All right. The next item on  
16 the agenda is Item Number 6, Public Hearing by the Board on  
17 the adoption of the proposed amendment to CHRB Rule 1433.

18          ASSISTANT EXECUTIVE DIRECTOR MINAMI: Roy Minami,  
19 Horse Racing Board.

20                 This is proposed amendment 1433. It requires that  
21 no racing association that operates four or more continuous  
22 weeks of thoroughbred racing in a calendar year shall be  
23 licensed unless it has installed a polymer synthetic type  
24 racing surface, or poly track. This item is up for  
25 adoption.

1           We've had the 45-day notification period. We've  
2   had several comments. One was entirely favor, favorable to  
3   the installation of the synthetic race tracks. Another one  
4   indicated that it was going to create additional problems,  
5   and then we have a third comment that stated the rule change  
6   is well intended, but is a recipe for disaster.

7           But other than that, we've had no other comments,  
8   and the staff recommends that the Board adopt, take action  
9   to adopt the regulation.

10          CHAIRPERSON SHAPIRO: Thank you. Clearly, I make  
11   it, made it no secret, I'm very much in favor of our  
12   proceeding with this, and I think we only have to look at  
13   the unfortunate circumstance of Barbaro this past week, that  
14   we all have to do what we can to install safer racing  
15   surfaces. And while it's not just the racing surfaces that  
16   are the problem, it's certainly a contributing factor.

17          And therefore, I would hope to see our Board move  
18   forward with this. I, I know that we've had lots of  
19   meetings since we first brought this up. We've had four  
20   different companies make presentations to the racing  
21   industry with respect to what surface they, that may  
22   ultimately be envisioned or installed at our tracks.

23          I also think that it's very clear that while  
24   Turfway has had some wonderful experiences, there's things  
25   that we've seen at Turfway that we don't want in California,

1 and there's other considerations in California such as  
2 climate and UV rays, and things that we have to deal with.  
3 But I believe that those issues are solvable. I know that  
4 there are various studies being done with respect to health  
5 concerns of our riders and also the horses. And so I would  
6 urge that the Board, and encourage the Board to move forward  
7 with this so that we continue our progress.

8 Does anybody have any comments or questions to  
9 this?

10 COMMISSIONER MOSS: I do. My only, my, my concern  
11 is that having been presented the four different procedures  
12 in regard to the polymer surface racetrack, I think that we  
13 need to perhaps study this a bit more. And, I mean, I, I  
14 foresee a situation where perhaps three main racetracks in  
15 southern California could use three different kinds of  
16 polymer surfaces. And it's clearly up to those individuals  
17 to pick the surface they think is going to best benefit  
18 their track. I don't see the Board have any particular, you  
19 know, ideas of ruling on something like that. It's a  
20 personal decision.

21 I just feel that there just needs to be more  
22 study, and I don't know if this current application involves  
23 the study that needs to be made. That's the question I'm  
24 asking.

25 MR. HALPERN: Ed Halpern, California Thoroughbred

1 Trainers. I'd just like to make a short comment.

2 Our Board of Directors, who by law represents all  
3 of the trainers in California, understands that there are  
4 some trainers with some concerns about this, and we all have  
5 some concerns. But our Board unanimously voted to favor  
6 this, this proposition or this rule being put in place. The  
7 basic premise behind that is, as Richard Mandela said, the  
8 one issue that we can look at and make a decision on today  
9 is that all evidence is that this turf is, is safer for the  
10 animals that run on it, and therefore safer for the people  
11 who ride on it.

12 All the other concerns we believe will be handled  
13 over time. They are sort of secondary. And the kind of  
14 things you deal with, I know many of you have been involved  
15 in, in construction projects and building projects, as I am.  
16 And I can tell you that, that over the past 30 to 40 years I  
17 probably would not have done any of the projects we've done  
18 had I been stopped by some of the concerns we had. Along  
19 the way you just take care of those concerns. I have not  
20 heard any concern about poly track that says we ought to  
21 stop and not move forward.

22 When this proposition was first put forth by the  
23 Board, I stood up and said in six years of coming to these  
24 meetings, this the most important item I've seen acted upon  
25 by this Board. And I think it would be a true shame for the

1 Board to back down at this point.

2 With all due respect, I, I understand Commissioner  
3 Moss' concerns. My, my concern about that is that the kinds  
4 of concerns we're hearing from trainers, or from some  
5 trainers, and not very many, will, will -- are unlikely to  
6 be solved by study in the near future. They're the kinds of  
7 things we'd have to study for many, many years before we'd  
8 know the results. And I think we will find those answers  
9 when we have poly track or, or a polymer surface in, either  
10 way.

11 So I think it's very important for the Board to  
12 move forward on this. We're already seeing action from a  
13 lot of the tracks, and if the Board has not moved forward to  
14 this point, I don't believe we'd've seen that action so far.

15 CHAIRPERSON SHAPIRO: Thank you.

16 MR. JAMGOTCHIAN: Mr. Chairman, members of the,  
17 the Board, there was an agenda item passed by the City of  
18 Hawthorne, 7036, relating to making Hollywood Park a  
19 historical, historical monument. And I'm wondering if in  
20 fact a poly track would be allowed to be built if, in fact,  
21 Hollywood Park is deemed a historical preservation site.  
22 Did anybody check that out?

23 CHAIRMAN SHAPIRO: I have no idea.

24 MR. JAMGOTCHIAN: Okay. I'm just --

25 CHAIRPERSON SHAPIRO: I don't know.

1           MR. JAMGOTCHIAN: I'm referencing for the staff,  
2 if they want to look it up, Hawthorne City Council  
3 Resolution 7036. It was signed into law, or signed on  
4 Tuesday, and it stated the city council recommends to the  
5 City of Hawthorne that the Hollywood Park Racetrack be  
6 declared a historical preservation site, and that any  
7 contemplated development of a -- excuse me, redevelopment of  
8 a racetrack should be opposed by the city council of the  
9 City of Inglewood.

10           I just wanted to tell you that maybe this would  
11 stop a poly track at Hollywood Park, because I thought  
12 Hollywood Park was going to install one for, after this  
13 meet, so --

14           CHAIRPERSON SHAPIRO: Okay. Thank you.

15           MR. JAMGOTCHIAN: -- that's the question.

16           MR. ZUCKER: Howard Zucker, CTT Board. I'm on the  
17 Track Safety Committee.

18           This is not the first time I've addressed you.  
19 Nothing's changed since the first time I addressed you. I  
20 don't want to come up and just say the same old, same old.  
21 You're starting to see the fives and the sixes when we look  
22 at our fields again.

23           I've talked this over with many a vet, both vets  
24 onsite at Turfway Park, with Dr. McElwaith, foremost  
25 orthopedic surgeon who runs the track safety study that

1 we've, we've had Dr. Peterson come out of our engineer.  
2 Both Dr. McElwaith and Dr. Peterson are sold on this surface  
3 as far as safety goes.

4           The concerns that we've heard expressed are  
5 concerns with performance of the track, and they can be  
6 dealt with. All these tracks are not, they're not just the  
7 way they are when they put them in. They can, they can  
8 adjust them, as far as performance goes. But nobody has  
9 found a poly track that's not safe. And if we can't start  
10 with safe and move on from there, we're going to keep doing  
11 what we've been doing, and we've proven over and over again  
12 we cannot manage our organic tracks. Our tracks aren't  
13 really organic anymore. They're mixtures that man has made.  
14 They bring in sand, they bring in organic, they, they watch  
15 the clay content.

16           If there was in Utopia, maybe, you could find some  
17 natural sandy loam that horsemen have always looked for and  
18 resurface all our tracks, and re-do the bottoms, and we'd  
19 have new tracks and they'd probably be good. We've been  
20 told that those materials don't exist anymore, not any way  
21 to get them.

22           And here's a, here's a chance for us to be on the  
23 forefront of making for safe racing. Nick Nicholson said it  
24 best when he gave the poly track presentation at a seminar  
25 that Mr. Shapiro arranged. His board and he decided at some

1 point that making a safe racetrack will cure a lot of the  
2 ills that we deal with in this game, not just the safety of  
3 the horses but all the economic problems. A lot of  
4 improvements will stem from having full fields.

5 This only just makes too much sense, and all the  
6 trainers that sent, that were in that first meeting, I went  
7 back through them in the last few days, and they all feel  
8 the same way. We need to change. As Mr. Mandela said, we  
9 really don't have anything to lose. It can't be any worse  
10 than it is.

11 Thank you.

12 CHAIRPERSON SHAPIRO: Thank you. Is there anybody  
13 else in the audience that wishes to address this subject?

14 MR. FRAVEL: Mr. Chairman, Craig Fravel, Del Mar  
15 Thoroughbred Club.

16 As you know, I've been somewhat outspoken on this  
17 subject, not necessarily in terms of mandating, but in terms  
18 of the, the wisdom and the opportunity that we have here to  
19 be at the forefront. And I know that the California Horse  
20 Racing Board has gotten massive amounts of positive  
21 publicity around the country as a result of the action that  
22 you took at your last meeting, simply noticing this rule for  
23 rulemaking.

24 After Saturday's incident, I don't want to pretend  
25 that that wouldn't have happened on poly track, none of us

1     could possibly predict or say whether that would've happened  
2     or not. But the San Diego Union ran an article the very  
3     next day, and three or four paragraphs into it, the, the  
4     basic premise was that racing can no longer get away with  
5     saying that's part of horse racing. If that remains part of  
6     horse racing, there's not going to be horse racing much  
7     longer.

8             But the rest of it was that both Del Mar and the  
9     California Horse Racing Board were moving forward to do  
10    something about that in a positive way. And a lot of  
11    lemonade was made out of lemons as a result of that,  
12    particularly in San Diego, and I think that, that your  
13    actions on this in this regard will, will show the way for a  
14    lot of people around this country. And I assure you, having  
15    lost horses go over this by the thousands in England and,  
16    and in Kentucky, and talk to outriders and exercise riders  
17    and jockeys, you are not making a mistake.

18            Thank you.

19            CHAIRPERSON SHAPIRO: Thank you.

20            MR. COUTO: Good afternoon, again. Drew Couto,  
21    Thoroughbred Owners of California.

22            I, I, too, want to compliment the Horse Racing  
23    Board and Mr. Harris for his comments, and the article in  
24    the San Diego Union the other day did reflect very well upon  
25    the California horse racing industry in comparison to many

1 out of state jurisdictions.

2 I feel sort of silly getting up here again for  
3 probably the fifth time over the past half a year to, to say  
4 the same thing. But, but my board completely supports this  
5 rule, and the decision of the Horse Racing Board, as we  
6 pointed out before, by conservative estimates, we lose about  
7 \$6 million worth of horses each month on the track, and not  
8 necessarily to catastrophic injuries but to injuries that  
9 take them out of training. And six, I'm sorry, \$6 million a  
10 month, in comparison, would cost these tracks seems, seems a  
11 fair trade. It's very important to this industry that we do  
12 something along this line. And, and again, my Board  
13 supports it completely.

14 Thank you.

15 CHAIRPERSON SHAPIRO: Thank you.

16 MR. HAIRE: Darrell Haire, National Manager of the  
17 Jockeys Guild.

18 I just want to say that the jockeys are in support  
19 of the poly track. I've spoken with riders that have ridden  
20 over the, the poly track, and they feel like this is the way  
21 to go. We did have some concerns about the, the fibers, and  
22 we understand it's being tested and, and that we're going to  
23 be happy with the result of that. So we support the poly  
24 track, the jockeys and the Jockeys Guild.

25 CHAIRPERSON SHAPIRO: Thank you.

1           MR. CHARLES: Ron Charles, MEC. I, I'd just like  
2 to respond to Commissioner Moss' question, because I, I  
3 think it's an excellent one, and it's one that I posed to  
4 all four of the groups who made presentations regarding  
5 these synthetic surfaces. And that was are they going to be  
6 able to translate the form, or are the surfaces going to be  
7 so different when they go from one to another, and all four  
8 presentations agreed that there would be so little  
9 difference in the actual surface between the four poly track  
10 equestrian surfaces, Michael Dickinson, so they really don't  
11 believe that's a problem that we're going to be faced with.

12           Should we put three or four different providers  
13 down on the track, then we're going to have a very  
14 consistent surface. Thank you.

15           CHAIRPERSON SHAPIRO: Thank you. I should add  
16 that one thing that we did see in the four different  
17 presentations was I don't think there was any difference in  
18 terms of the base and the drainage and the sub, what I call  
19 the sub-structure of the surface. The only difference was  
20 actually the composition of the material that the horses ran  
21 on, and most of that was estimated that 80 percent of it was  
22 the same, anyway. It was just the mixture that was a little  
23 bit different.

24           I appreciate Commissioner Moss' wanting to move  
25 diligently here, and it's my intention, and I think

1 everyone's intention, that we do that. And for that  
2 purpose, I think that we should continue doing the studies  
3 and we should continue analyzing this up and through and  
4 after we install any polymer or synthetic type surfaces.  
5 But I don't need to remind anybody, they just need to look  
6 at the post-mortem report of December 31st, 2004, and when  
7 you look at what the number of horses that were fatally  
8 injured, or you look at the injuries, it's a pretty  
9 astounding item.

10 And so I, I think that we will move prudently.  
11 It's certainly everyone's intent, and I would hope that we  
12 would have the flexibility that if we hit a bump in the  
13 road, or we see something that concerns us, that we re-  
14 group, we re-analyze, and we look to make any corrections in  
15 the middle of the course of which we're doing this.

16 But, again, I think that it would be imprudent for  
17 us not to move in this direction. Therefore, if -- is there  
18 anymore comments from the Board?

19 COMMISSIONER HARRIS: I'd agree, Richard, that --  
20 I, I think no one can be 100 percent certain that this is  
21 the way to go, but it's, it does hold so much promise that  
22 we'd be foolish not to pursue it. And unfortunately, we're  
23 an industry that doesn't get things done without deadlines.  
24 It's a classic situation like that, and I don't think, if we  
25 don't have a deadline, we're just not going to do it. And

1     that's, I'm a little bit worried about a deadline on  
2     something like this because there's basically five different  
3     tracks in California that are impacted by this rule, and we  
4     only really have 18 months to put in five different poly  
5     tracks.

6             But I think we can always make minor modifications  
7     along the way. If it's going to take a few more months here  
8     or there, we're, we'd probably be understanding about it.  
9     But I, I think we should move forward.

10            CHAIRPERSON SHAPIRO: I agree with you, and I  
11     think because we are doing this as a rule and, and not  
12     through legislation, that we will, and we can amend the rule  
13     or change rules so that we can be sensitive to the time that  
14     it may need. Therefore, if there's no more discussion, I'll  
15     make a motion that we approve this.

16            Is there a second?

17            COMMISSIONER HARRIS: Second.

18            CHAIRPERSON SHAPIRO: All those in favor.

19            (Ayes.)

20            CHAIRPERSON SHAPIRO: Opposed? None.

21            It carries.

22            The next item is the proposed amendment to CHRB  
23     Rule 1486, term of license.

24            ASSISTANT EXECUTIVE DIRECTOR MINAMI: Roy Minami,  
25     Horse Racing Board.

1           This is a proposed amendment to 1486 to revise the  
2   expiration date of one-year licenses from December 31 to the  
3   last day of the birth month of the licensee.

4           The reason this came about is that we have a  
5   category of one-year licenses such as grooms, stable  
6   employees, out-walkers, et cetera, and they all expire on  
7   December 31st. What that does is that creates an influx of  
8   individuals that want to come and renew their licenses  
9   during the month of December, even though we notified them  
10  in November that they could do it early. But, of course,  
11  everybody waits until the last minute.

12           Basically, that creates long lines, creates  
13  delays, and we felt that in order to, with Commissioner  
14  Andreini's assistance, we, we felt that in order to  
15  alleviate the mad rush at the end of the year, that the  
16  staff would amend the rule to allow the birthday -- to allow  
17  the licenses to expire on the last day of the birth month of  
18  the licensees, basically consistent with what we do with  
19  trainers, owners, and other three-year licenses. And the  
20  cost would be the same, and hopefully that would alleviate  
21  the long lines and the frustration at the end -- during the  
22  month of December.

23           So this item is up for a 45-day notice period.  
24  And so the staff asks the Board to approve the 45-day  
25  comment period.

1           CHAIRPERSON SHAPIRO:   Okay.  thank you.

2           Is there any comments?

3           COMMISSIONER HARRIS:   I was at Santa Anita shortly  
4 after Christmas, and I noticed this.  I couldn't figure out  
5 what was going on at the CHRB office, there was a big line  
6 all the way around it.  And I think it's an excellent idea  
7 to put it expire on the birthdays.  My only concern is that  
8 I think we would expand this more for a lot of the grooms on  
9 the back side that've worked there for years, and that they  
10 should also be able to have three-year licenses versus one-  
11 year license.  And I know some people are concerned about  
12 one-year, you know, that it should be one because of turn-  
13 over, but I think that perhaps once a person had had a one-  
14 year license for more than two years it would eliminate a  
15 lot of the paperwork and hassle that, that goes into it.

16           ASSISTANT EXECUTIVE DIRECTOR MINAMI:  That was a  
17 possibility that the staff considered, and, and for the very  
18 reason you did state, that we rejected that, that option was  
19 because of the transiency of, of the one-year licensees,  
20 that they tend to turn over quite a bit.  And so to give a  
21 three-year license to a person who's only going to work a  
22 few months or, or so, didn't seem to be very practical.

23           CHAIRPERSON SHAPIRO:  Well, let me ask you a  
24 question, because I, I agree with Commissioner Harris here.  
25 In, in the old days you used to have to get a little sticker

1 so that you had your license, but then there would be, if it  
2 was Los Alamitos, in L.A. or Hollywood and HB, or, or some  
3 validation sticker. Is that now not done?

4 ASSISTANT EXECUTIVE DIRECTOR MINAMI: Well, I'm  
5 not sure how far back the old days are. That might be --

6 CHAIRPERSON SHAPIRO: '78.

7 ASSISTANT EXECUTIVE DIRECTOR MINAMI: I believe  
8 that the current racetracks do validate licenses and give  
9 our stickers on top of the licenses. I'm not sure if they  
10 still do that, but I think they still do.

11 CHAIRPERSON SHAPIRO: Why couldn't we -- I mean, I  
12 think that if, if somebody's worked on the back side for a  
13 year and they've been in good standing, and there hasn't  
14 been any problems, why shouldn't they qualify for a three-  
15 year license and simply they have to get it validated within  
16 some period of time close to their birthday, or something,  
17 so it wasn't a mad rush, but would afford them not having to  
18 go through that whole process again.

19 EXECUTIVE DIRECTOR FERMIN: When, when we  
20 discussed this we thought that there, there are certain  
21 barns that obviously have very little turn-over. There are  
22 some barns that have a lot of turn-over, and that the major  
23 racetracks do validate. However, with the three-year  
24 license, and it isn't expired, they seem to be able to talk  
25 their way, or whatever, and get into a restricted area, when

1 actually they are not employed or, or might not have any  
2 business there. So we had thought that, that taking it one  
3 step at a time, seeing if the one license expiring on  
4 birthdays would alleviate the long lines, and also maintain  
5 security for who's going in and out, and that that would be  
6 a good first step.

7 ASSISTANT EXECUTIVE DIRECTOR MINAMI: There's also  
8 a cost issue, too. The one-year license is \$25, so a three-  
9 year license would cost \$75.

10 COMMISSIONER HARRIS: I don't agree with that.  
11 Why would a three-year cost more than a one-year? I mean  
12 it's the same license.

13 CHAIRPERSON SHAPIRO: I, I mean, again, these are,  
14 the people that we're talking about, I don't think we're  
15 looking to make money on them, and I think if we're issuing  
16 a license, if anything, we should look to defray the cost to  
17 them.

18 COMMISSIONER HARRIS: Yeah, and I think we're not  
19 trying to make money. I mean, it just seems, it --

20 ASSISTANT EXECUTIVE DIRECTOR MINAMI: Well, we're  
21 not trying to make money. It's, it's a matter of  
22 mathematics. I mean, the one-year license is \$25, so a  
23 three-year --

24 COMMISSIONER HARRIS: But our cost to issue a one-  
25 year license would not differ from -- it's not going to, if

1 you get your three-year license, it's going to cost you any  
2 more than if you issued a one-year license. So it seems  
3 like that our costs don't go up by a three-year license.  
4 Actually, they decrease because it -- arguably our cost  
5 might be more than \$25 to issue a license.

6 ASSISTANT EXECUTIVE DIRECTOR MINAMI: Well, you  
7 can make the same argument that for every other license  
8 classification, then, as far as, you know, trainers are  
9 three-year licenses, they're \$150, \$50 a year. Same thing  
10 with owners. I mean --

11 COMMISSIONER HARRIS: I think we need to set the  
12 license fees, you know, whatever they should be, but I think  
13 that the idea of, of doing it multi-year licenses has a lot  
14 of advantages.

15 CHAIRPERSON SHAPIRO: Yeah, I, I agree with, I  
16 agree with Commissioner Harris on that.

17 COMMISSIONER ANDREINI: But it just, it just seems  
18 -- you know, it just seems to me, and I brought this up  
19 originally with Jackie, this is a, a different group of  
20 people that we're talking about, not owners and trainers.  
21 And as Mr. Harris said, the cost is going to be the same, I  
22 mean, we just made it more convenient. I think it might  
23 help those people a lot, and it would certainly get rid of  
24 those long lines that, that -- and, and give them, make them  
25 have a license for two years if, if one doesn't suit you.

1 But after they do that for a couple of years, they certainly  
2 should be able to get a three-year license. I mean, that's  
3 my view.

4 COMMISSIONER HARRIS: I think the government has  
5 gone that way. It used to be in the old days, I'm as old as  
6 I am, that you had to get your driver's license renewed  
7 every four years or so, and go down and all that. I haven't  
8 been to the DMV in two years.

9 CHAIRPERSON SHAPIRO: You are old. Well, perhaps  
10 what we should do is we should approve this, but during the  
11 comment period, you know, see -- and I think we're headed in  
12 the right direction, and so I would recommend that we  
13 approve this, but during the comment period perhaps we can  
14 look at seeing if perhaps the CTT, TOC and others might want  
15 to give us some suggestions, because what we're really  
16 trying to do is improve the efficiency of the operation of  
17 the CHRB, and also the convenience, and address the cost of  
18 the back side workers who, you know, shouldn't be viewed as  
19 a source of making money here, and, and try to find a way  
20 to, to make it most convenient and most economical for  
21 everybody.

22 So is there a motion to approve this?

23 EXECUTIVE DIRECTOR FERMIN: Just I, for  
24 clarification, are you saying that you wanted them to have a  
25 license for at least two years and then be eligible for a

1 three-year, if we go back and re-write --

2 COMMISSIONER HARRIS: If you're going to re-write  
3 it and put it out for comments, I guess maybe that you, you,  
4 maybe one year would be simpler if you -- once you've  
5 completed your first year's license, you re-apply for a  
6 three-year license.

7 CHAIRPERSON SHAPIRO: I agree with that.

8 COMMISSIONER HARRIS: And, you know, arguably, it  
9 may be you had to have a clean record during the first year  
10 to achieve the three-year license.

11 CHAIRPERSON SHAPIRO: To qualify for a three-year  
12 license, that somebody has to have completed at least one,  
13 their first year without any issues, which then -- you know,  
14 they're on probation for one year, and thereafter, if they  
15 remain employed and they, they're committed to this business  
16 and they are clean, have a clean record, we'll let them  
17 qualify for a three-year license like every other  
18 classification.

19 ASSISTANT EXECUTIVE DIRECTOR MINAMI: Well, then  
20 I, if that's the case, then if we have conditions such as  
21 that, we'd have to define some kind of criteria, then, as  
22 to, you know, what's a violation or what is a disqualifying  
23 factor.

24 CHAIRPERSON SHAPIRO: Well, I, I would assume that  
25 any, if there's been no disciplinary action by any licensee,

1 or any complaints filed against -- well, not complaints, it  
2 isn't fair, somebody could file a complaint, but, you know,  
3 if we have somebody that's been disorderly and causing  
4 problems in the back side, they wouldn't qualify for a  
5 three-year license. But if somebody's remained in good  
6 standing, they should qualify for a three-year license.  
7 And however that's done with any classification of  
8 licensing. I don't think it's right to treat people any  
9 differently, no matter if they're getting owners or licensed  
10 to, to a groom's license.

11 COMMISSIONER HARRIS: Maybe we just need to re-  
12 write. I would suggest we re-write it that way, and I think  
13 we've got a consensus, and I'll move that we --

14 CHAIRPERSON SHAPIRO: Okay. All those in favor?  
15 (Ayes.)

16 CHAIRPERSON SHAPIRO: Before we get off that, and  
17 I, maybe this, perhaps we can put this on the agenda another  
18 time. One of the issues that was brought to my attention is  
19 that there are a lot of partnerships that are being formed  
20 today, and there, as the trend goes to these racing  
21 partnerships and trying to license all of the people that  
22 may be buying into racing partnerships, I think that we have  
23 to look at is there a better way to effectuate licensing  
24 people that may join an entity that is a, is, has a lot of  
25 different members in a racing partnership, and one of the

1 people I was talking to was talking about that there are  
2 some celebrities who, who may not want to come in, they,  
3 they own eight percent or 12 percent of a horse, and, you  
4 know, to come in and get fingerprinted and so forth.

5 And I'm wondering if we couldn't look at a way, is  
6 there a different classification where we can ensure the  
7 integrity that holds the general partners responsible, but  
8 also would accommodate our bringing new people into the  
9 game. Because one of the things we have to recognize that  
10 there's, there's emerging interest in, in setting up these  
11 partnerships, and, and it's good for racing to bring some  
12 into the game. So --

13 COMMISSIONER HARRIS: I think we, yeah, we need to  
14 see if other jurisdictions have ways to deal with that.  
15 I've always questioned the degree of fingerprints and other  
16 things like that that we need from owners who are not really  
17 going to be, you know, I can say, that involved. I mean,  
18 the -- and also, the techniques that we use to get all  
19 those, if there's any better way to, to do it. I mean --

20 CHAIRPERSON SHAPIRO: Well, I, I know RCI has, you  
21 know, is part of the national licensing compact, and, and  
22 now there's, there's new technology which I believe that  
23 we're using in terms of the fingerprinting. But I, I think  
24 that we should have a, a report done by staff that may bring  
25 forth some ideas of what we could do that would be, you

1 know, better and easier licensing and more convenient for  
2 those people trying to be licensed, but also that would  
3 accommodate bringing new people in to the sport through  
4 these racing partnerships where they're part of a large  
5 group. And it's impractical to get, you know, everybody in  
6 to be licensed.

7 COMMISSIONER HARRIS: The problem is if you, if  
8 you don't make it fairly easy to do, the you get a lot of  
9 hidden ownership where the people who are going to be part  
10 of the partnership, they just don't get licensed.

11 CHAIRPERSON SHAPIRO: That's right.

12 MR. KOCH: Hi, Mr. Shapiro, Billy Koch, owner.

13 Thank you for bringing this topic up. I know you  
14 and I have had discussions and --

15 CHAIRPERSON SHAPIRO: I didn't disclose who I had  
16 the discussions with.

17 MR. KOCH: I'm sorry. Now you know. But just,  
18 all you guys, I don't want to go into details here, but I, I  
19 have submitted a letter to, to Ms. Fermin, and we've had  
20 some discussions, as well, about this. And I'm happy to get  
21 together with other partnership groups and come to the CHRB  
22 anytime for a meeting on this subject, and go over some of  
23 the ideas that we have to do exactly what you're talking  
24 about, and make these things, make it easier for people who  
25 want to get licensed and some who don't want to get

1 licensed. And, and making sure that there is no hidden  
2 ownership. And we have ideas and ways to do that, and we're  
3 happy to come in and share them with you.

4 CHAIRPERSON SHAPIRO: Well, I think that's a good  
5 idea, and perhaps you and some of the other racing  
6 partnerships could get together and put forth what those  
7 ideas are to help us, and help staff craft something that,  
8 that hopefully will work and, and get new people in the  
9 game.

10 MR. KOCH: Appreciate it. We have, and we will  
11 continue to do so.

12 CHAIRPERSON SHAPIRO: Thank you.

13 All right. The next item is discussion and action  
14 on the proposed amendment to CHRB Rule 1733.

15 ASSISTANT EXECUTIVE DIRECTOR MINAMI: Roy Minami,  
16 Horse Racing Board.

17 This is a proposed amendment to 1733, which is  
18 Whips, and it, it asks to revise the allowed length of the  
19 driver's whip. The USTA had extended their, the length of  
20 their allowable driver's whip from three feet nine inches,  
21 plus the snapper, to not longer than six inches, to a  
22 maximum of four feet.

23 And the USTA has already brought this into their  
24 rules, and this is a rule requested by the stewards to amend  
25 our existing rule to bring us consistent with the USTA

1 rules.

2 CHAIRPERSON SHAPIRO: Is there any comment,  
3 discussion on this?

4 ASSISTANT EXECUTIVE DIRECTOR MINAMI: This is for  
5 a 45-day notice period.

6 COMMISSIONER HARRIS: I move we put out the  
7 notice.

8 CHAIRPERSON SHAPIRO: Second?

9 COMMISSIONER BIANCO: Second.

10 CHAIRPERSON SHAPIRO: Seconded.

11 All those in favor?

12 (Ayes.)

13 CHAIRPERSON SHAPIRO: It's approved.

14 All right. The next item is Item Number 9, which  
15 is discussion and action by the Board on the temporary  
16 suspension of CHRB Rule 1606, Coupling of Horses, for the  
17 Hollywood Park and Bay Meadows, the current meetings that  
18 are taking place.

19 ASSISTANT EXECUTIVE DIRECTOR MINAMI: Roy Minami,  
20 Horse Racing Board staff.

21 Back in, I think it was May 15th, the Board  
22 entertained a proposal to waive the coupling Rule 1606, and  
23 a number of other associated rules, to allow the uncoupling  
24 of horses only for the Hollywood Park and Bay Meadows meet.  
25 This was to be done on a, on an experimental basis. The

1 Board at that time, during that teleconference, approved the  
2 -- approved the suspension of the Rule 1606 to allow  
3 Hollywood Park and Bay Meadows to uncouple entries for, for  
4 their race meet only.

5 The item was put on the agenda for today to, the  
6 consideration of the Racing Secretaries, there is supposed  
7 to be a discussion with the Racing Secretaries, to discuss  
8 this matter. And this item is on the agenda, if the Board  
9 wishes to change or add any conditions or restrictions to  
10 their previous approval. There was a meeting today, this  
11 afternoon, and I think Mr. Shapiro can encapsulate that.

12 CHAIRPERSON SHAPIRO: Thank you. There was a  
13 meeting today among some of the Racing Secretaries and the  
14 Hollywood Park and Bay Meadows people, and other people  
15 within the industry. And the, the discussion revolved  
16 around rules related, or, or what rules, if there should be  
17 any related to this. And I think it was the determination  
18 that the, the temporary suspension of this rule would  
19 continue; that the rules that are used by the applicable  
20 associations are non-precedent setting and would not have  
21 any bearing on any other racing associations if the, if the  
22 suspension is continued or the rule is terminated, and  
23 therefore, I don't believe that we need to take any further  
24 action on this.

25 Having said that, we did receive a request that

1 Los Alamitos would like to participate in this uncoupling  
2 experiment, as well. Unfortunately, the way that the  
3 suspension, the, the motion to suspend this was  
4 characterized, it is not possible to include them at this  
5 time. Therefore, this matter will be re-agenda'd at our  
6 next Racing Board meeting with respect to allowing Los  
7 Alamitos Race Course to participate in the experiment, as  
8 well.

9 Is there any comments?

10 MR. HALPERN: Ed Halpern, California Thoroughbred  
11 Trainers.

12 I, I would just like to say for the record that  
13 our Board discussed this, this matter, and took a vote on  
14 it. And our, our Board actually does not favor the  
15 uncoupling of entries. To, to paraphrase a little bit,  
16 there's a, a radio commentary in Los Angeles that, that  
17 commonly talks about the fact that having character is most  
18 important when it's most difficult to have character. And  
19 our Board's position is the same way on this issue, that  
20 having integrity is most important when it's most difficult  
21 to show integrity. And leaving the impression with the  
22 public that something is going on is not a good idea for  
23 this industry and does not serve any of us very well.

24 Thank you.

25 CHAIRPERSON SHAPIRO: Thank you.

1           MR. COUTO:   Drew Couto, Thoroughbred Owners of  
2   California.

3           The TOC Board recently responded to an inquiry  
4   from me, and the majority of the Board members felt that  
5   there should be no change in the, in the uncoupling, for  
6   basically the same reasons, I think, that Ed has just  
7   articulated. Integrity is usually compromised for economic  
8   reasons. It's, it's tough to protect, and, and it's  
9   something that needs to be protected at all costs. And my  
10   Board, at least those who responded, felt that we were  
11   compromising for the wrong reasons and that we should  
12   protect and, and keep these horses coupled.

13          So, thank you.

14          COMMISSIONER HARRIS:   Would the TOC or CDT have  
15   any thoughts on, or question, comments on the concern on  
16   trainer uncoupled entries, do your organizations feel that  
17   we should change that rule back to where you could not have  
18   trainer coupled entries?

19          MR. HALPERN:   It's, it's an issue we, we did not  
20   discuss because it was not germane to what's being spoken  
21   today. But certainly from my point of view, it would be  
22   very inconsistent to have one rule for owner entries and a  
23   different rule for -- it is inconsistent to have one rule  
24   for owner entries and one rule for trainer entries. In both  
25   circumstances, I think there is a perception by the public

1     that something funny is going on.

2                 MR. CHILLINGWORTH:   Sherwood Chillingworth, Oak  
3     Tree Racing.

4                 I think that if you're going to not allow owners  
5     to, to uncouple, it's far more significant to require that  
6     the trainers be coupled, as well.   They have more control  
7     over what happens on the racetrack than the owners do, and  
8     it makes no sense to me to do a -- force the owners to be  
9     coupled and not the trainers.

10                MR. GOODRICH:   Mr. Chairman, Commissioners, Cliff  
11     Goodrich, and I'm just representing the general public.   At  
12     the risk of extreme embarrassment, because there was an idea  
13     I had that, well, a mutuel manager talked me out of it five  
14     years ago, but maybe somebody in the audience would know, or  
15     maybe it could be looked into, and that is the possibility  
16     of the best of all worlds, where, for example, if the three  
17     and the nine were to run uncoupled because the, the  
18     racetrack or the Board allows it to be uncoupled, what if  
19     you could create an additional betting interest, call it the  
20     12A and B, if there were 11 horses in the race, where a  
21     member of the wagering public could bet on the three, bet on  
22     the nine, or bet on the 12 and 12A.   In other words, you get  
23     the best of all worlds.

24                The individual who talked me out of it said in  
25     certain situations, you couldn't place the order of finish,

1 and, and that may well be true. But if it isn't true, it  
2 would be something to look into because I think that way you  
3 could deal with anybody who'd have an objection to  
4 compromising integrity, because you can either, if you like  
5 the long shot, not the favorite, bet it separate. If you  
6 want to bet the entry, bet the entry. And it may be  
7 something to look into, or I may look like an idiot for  
8 having said it, but at least I put it on the table.

9 CHAIRPERSON SHAPIRO: Mr. Goodrich, you're not  
10 looking like an idiot, and if you turn around and see Mr.  
11 Couto, he's strutting like a peacock back there.

12 (Parties speaking simultaneously.)

13 CHAIRPERSON SHAPIRO: He spoke to us previously.  
14 So it's -- thank you.

15 MR. JAMGOTCHIAN: Mr. Chairman, just a reminder.  
16 At the last meeting I mentioned to you a race at Santa Anita  
17 where Wesley Ward trained two horses in the race, owned one  
18 of the horses, and his assistant trainer owned the other  
19 horse. Interestingly enough, one horse ran first, the other  
20 horse ran last. It seems what you're doing is, is totally  
21 contrary to the perception that you want to give the betting  
22 public but, then again, I, I question this whole issue.

23 Thanks.

24 CHAIRPERSON SHAPIRO: Thank you.

25 COMMISSIONER MOSS: I'd like to just make one

1 statement here, because we came out with this issue because  
2 we had meetings through the Pari-Mutuel Committee, with the  
3 betting public. It's the betting public that wanted not to  
4 be stuck with a horse they didn't bet on, and therefore we  
5 came up with the uncoupling issue.

6 I agree with what Chilli said. I think if we're  
7 going to uncouple, we should uncouple trainers as well as  
8 owners. I think this is a trial run. We, the Bay Meadows  
9 and Hollywood Park have agreed to try this. My feeling is  
10 we should see what the trial says and go from there.  
11 That's, that's just the way I feel about it.

12 COMMISSIONER HARRIS: I'd agree. I think we need  
13 to let the trial run and see -- I mean, there's pluses and  
14 minuses to it, it's not a real simple thing. But we, we do  
15 have inequities if part of an interest scratches in the post  
16 parade, and, and also we, racing desperately needs, needs  
17 more betting interest. And by uncoupling entries you, you  
18 get more betting interest. And it's not an easy decision,  
19 but I think we just want to take everyone's input and at the  
20 end of the trial we'll make a decision.

21 MR. CHARLES: Ron Charles, MEC.

22 I agree, Commissioner Harris. I think the time  
23 has come for an experiment. It's, I think we're talking  
24 about a month or two. I think we'll have a good idea as to  
25 how it's perceived. And we've been doing it, we did it all

1 year long at Santa Anita in the stakes races. We didn't  
2 have any problems, and we, we just feel it's worth giving it  
3 a try.

4 CHAIRPERSON SHAPIRO: Okay. I would simply like  
5 to go on the record that personally, I'm concerned that we  
6 would do this, because I don't think we would do this if we  
7 had full fields. But, and I don't want to do anything that  
8 would jeopardize the integrity. On the other hand, I  
9 recognize that there's a genuine attempt here to improve the  
10 business and offer more wagering opportunities, and the  
11 Pari-Mutuel Committee has come up with this, and so I think  
12 it's worthy of a try.

13 I also know that I've spoken with Mr. Liebau and  
14 he has assured us that he will have staff, his staff track  
15 exactly how many times this is done and what the outcomes of  
16 each of the instances are, in terms of where the horses  
17 finished and what the odds were. And so hopefully, we'll  
18 create some form of a database that we can utilize to  
19 evaluate this.

20 If there's no other discussion, then I'll  
21 entertain a motion.

22 COMMISSIONER HARRIS: I don't think we need a  
23 motion.

24 CHAIRPERSON SHAPIRO: Oh, we don't have a --  
25 that's right. So then we don't have to do it. We'll go

1 forward. Thank you.

2 Item Number 10. The discussion and action by the  
3 Board on the report of the mold problem at Surfside Race  
4 Place.

5 I would like to simply ask that it's been brought  
6 to our attention that there has been a problem at Surfside  
7 with respect to there was some mold that was discovered  
8 within that facility. And I would ask that Mr. Castro, if  
9 you could report on the status of that, and also if there's  
10 anybody here from Surfside.

11 My concern here is -- if Mr. Knapp is here --

12 MR. CASTRO: I was just going to -- Richard  
13 Castro, representing Pari-Mutuel.

14 I was just going to introduce Mr. Knapp. He's  
15 from Surfside.

16 CHAIRPERSON SHAPIRO: Okay. Then it's Mr. Knapp.

17 COMMISSIONER HARRIS: I'm not clear if on this,  
18 though, I mean, obviously I don't like mold, but aren't  
19 there other agencies that overlook this area? I mean, are  
20 we in charge of, of mold?

21 CHAIRPERSON SHAPIRO: Well, it's, it's, we're not  
22 in charge of mold, but it's within a facility that is within  
23 our jurisdiction, and frankly, I've been besieged with an  
24 awful lot of documents and reports that aren't very  
25 interesting, and I'd like to just make sure it gets

1 resolved. So if Mr. Castro or Mr. Knapp will tell me  
2 they're happy, let's move on. But it's my understanding,  
3 I'm not sure, I know we've had some of our investigators  
4 have gone down and worked on it to make sure that it's being  
5 resolved. The last I heard was that there was a report that  
6 said that the area is clear and clean of any mold.

7 So if the parties will simply tell me that, I can  
8 take this huge sack of stuff off my desk and won't have to  
9 deal with it.

10 MR. CASTRO: Again, I would prefer you address  
11 this to Mr. Knapp.

12 CHAIRPERSON SHAPIRO: Mr. Knapp. Is he in the  
13 room? There he is.

14 MR. CASTRO: Oh, he's here. He's not getting  
15 away.

16 CHAIRPERSON SHAPIRO: Thank you.

17 MR. KNAPP: Mike Knapp, Surfside Race Place  
18 Manager.

19 There was some mold found in some areas, remote  
20 areas of the building, as a result of some water intrusion  
21 from some winter rains. Those have all been remediated.  
22 The building has been cleared by industrial hygienists, a  
23 couple of different industrial hygienists that have been out  
24 in that area. There were some additional areas that showed  
25 some areas of, kind of higher mold counts and some non-

1 viable mold, in other words, mold that was, may have been  
2 produced from previous water intrusions. Those are all in  
3 some outdoor areas, so there's basically the indoor areas  
4 have all been remediated and the issue has been solved on  
5 our, from our perspective.

6 CHAIRPERSON SHAPIRO: So is the facility now  
7 deemed completely safe and, and all the workers can go back  
8 to work and all the patrons are fine, and you've had a sign-  
9 off from whatever applicable agencies would oversee that?

10 MR. KNAPP: Well, I, I'm not, I wouldn't state  
11 that that was ever the issue. There was some, like I said,  
12 elevated levels of mold found in some areas that weren't  
13 available to the public.

14 CHAIRPERSON SHAPIRO: Have those areas all been  
15 remediated?

16 MR. KNAPP: Yes, they have.

17 CHAIRPERSON SHAPIRO: Okay. Thank you.

18 Is there anyone else who has concern on this  
19 matter, then?

20 MR. KEMPT: Mr. Shapiro, my name is Doug Kempt. I  
21 also represent the Local 280 Pari-Mutuels Guild.

22 I've been in on this process since I first learned  
23 about it back in February of 2005. As, as I speak here  
24 today, I don't have any knowledge or any type of report that  
25 states that this building is clear and safe for all

1 employees to go back to work. There are some employees that  
2 are still on doctor's orders to stay out of the building.  
3 And until, until those employees are cleared by their  
4 doctors and they agree that, the doctors agree that this is  
5 a safe workplace for them, that will, I think that we can  
6 move on from there.

7 The issue in this particular building is during  
8 the rainy season it leaks. There are areas of concern that,  
9 that Mr. Knapp has been very forthright about attacking, and  
10 they've done a great job down there working to try to  
11 mediate these, these areas. But as far as closing the  
12 issue, I, I believe that we still need to follow, follow up.  
13 We need to make sure that the building is tested again  
14 during the rainy season, and we still have some work to do  
15 down there.

16 CHAIRPERSON SHAPIRO: Mr. Kempt, Mr. Kempt, it's  
17 my understanding from what I've been told by Mr. Knapp, is  
18 that they have gone in, they have tested the building. They  
19 say that it is safe. And you're saying you haven't seen  
20 those reports. Is that correct?

21 MR. KEMPT: That's correct. I have not seen those  
22 reports.

23 CHAIRPERSON SHAPIRO: Have you requested them?

24 MR. KEMPT: Yes. Yes. I, I have not seen them.  
25 Apparently they were made available today. I haven't seen

1     them.

2                 COMMISSIONER HARRIS:  The agency that should look  
3     at this, though, is Cal-OSHA.  Why didn't you bring them  
4     into it?  No, I understand it's a worker safety issue, I  
5     guess, in your mind.

6                 MR. KEMPT:  Right.  Exactly.

7                 COMMISSIONER HARRIS:  Has, has OSHA been brought  
8     into --

9                 MR. KEMPT:  Yes, sir.

10                COMMISSIONER HARRIS:  So they would be the ones  
11     who would come in and, and ascertain if a dangerous  
12     workplace does exist.

13                MR. KEMPT:  I believe Mr. Castro has some more  
14     comments about the OSHA involvement.

15                MR. CASTRO:  No, not OSHA.  Is this on?

16                CHAIRPERSON SHAPIRO:  We, we can hear you without  
17     it.

18                MR. CASTRO:  Yeah.  Well, I want to scream.  
19     Harris always gets my blood boiling.

20                Under your own horse racing law, 19420, you have  
21     the jurisdiction and supervision over meetings.  You have,  
22     under 19440, adopting rules and regulations for the  
23     protection of the public and the control pari-mutuel  
24     wagering; safety, 19481, in performing its responsibilities  
25     the Board shall do the following, establish safety

1 standards, and then you go down -- I'm skipping some of it  
2 -- to the last line, continuing in other track facilities in  
3 order to improve the safety of horses, riders, and workers  
4 at the racetrack. I feel you clearly have the  
5 responsibility to protect the public and workers. Yes,  
6 there are other agencies, but you clearly have the  
7 responsibility.

8           What I really want to underline, though, is that  
9 this process has taken a long time. This was brought to my  
10 attention in December of 2004. Actually, it was brought to  
11 my office. I didn't find out about it until March of 2005.  
12 And, and one person here that's in this room that should  
13 really be given a, a round of applause for, for the effort  
14 that he has made to try to make this right and has been up  
15 front with us, is Mike Knapp. He has been, I believe,  
16 completely honest. I do take exception to one thing he said  
17 today, and I have been consistent throughout.

18           The building, as far as I'm concerned, is safe  
19 when a doctor says all the employees can go back to work.  
20 And there is one who cannot go back to work. So as far as  
21 I'm concerned, if the building's not safe for him, it's  
22 probably not safe for others.

23           CHAIRPERSON SHAPIRO: But is that because that  
24 particular -- you, you're talking about one individual,  
25 correct? One individual cannot go back to work.

1           MR. CASTRO:  There could be a hundred in his  
2   situation.

3           CHAIRPERSON SHAPIRO:  But, but Mr. Castro, what I  
4   understand is that one doctor has said that one individual  
5   can't go back to work.  Isn't that true?

6           MR. CASTRO:  It's one employer doctor.

7           COMMISSIONER HARRIS:  Can he not go back to work  
8   any place, or just not back to work at --

9           MR. CASTRO:  He can't go back to work in that  
10   facility.

11          CHAIRPERSON SHAPIRO:  But is that, is there  
12   perhaps some other health issue that's, that's stopping that  
13   particular person from going to that facility?  I mean, if,  
14   if Mr. Knapp has a report that says that there is no more  
15   harmful mold within the enclosure, then what else should  
16   they be responsible to do?  They, they have a report, as I  
17   understand it.  Is that, Mr. Knapp, could you step forward  
18   to the mic.  Do you have a report that says that the, the  
19   black mold has been remediated and there's now no longer a  
20   problem?

21          MR. KNAPP:  Well, the mold studies that were  
22   conducted in, in approximately 30 areas around the facility,  
23   as I indicTed initially, reflected that there were a couple  
24   of isolated areas that had high levels of mold content, most  
25   non-viable, or dead mold, from previous water intrusions.

1 And there was one that was found into an area in between an  
2 exterior wall and an interior wall. We've gone in and,  
3 mitigated the, the mold issue in through there, and we are  
4 currently in reconstruction process of that wall.

5 There were, after testings done in that area and  
6 revealed that all the 20 or 30 odd areas that have been  
7 tested within the facility are all at normal levels for mold  
8 in, in the interior of the building.

9 CHAIRPERSON SHAPIRO: All right. And have you  
10 spoken to the doctor as to why he's taking the position that  
11 this particular worker can't come back to work?

12 MR. KNAPP: That's really an issue that I have not  
13 been involved with from the beginning. I --

14 CHAIRPERSON SHAPIRO: And I'm not trying to  
15 violate any Hippo laws, but I'm just trying to --

16 MR. VARELA: Hi, I'm Tom Varela, with Southern  
17 California Off-Track Wagering. And our worker comp carrier  
18 is working with the doctor. I can't speak for what the  
19 doctor has found or why they won't release him or what  
20 concerns they still have. We forwarded all the reports over  
21 to the doctor and it's in their hands, or it was --

22 CHAIRPERSON SHAPIRO: Then, again, I don't think  
23 we're going to solve it here. But what I hear is that  
24 everybody's working towards a resolution that is acceptable  
25 to everybody here. If Mr. Castro, you and, and your

1 employees recognize that the people down at Surfside are  
2 working diligently, and I know you're working diligently,  
3 perhaps you could get together with them and talk to the  
4 workmen's comp carrier, or whoever it is, and, and just  
5 bring this to a resolution.

6 I mean, we, we clearly want to see that the  
7 facility is safe. We clearly want to see that it's, it's,  
8 you know, everybody can work there, but I don't think it  
9 should be just based on one particular individual who may  
10 have other health concerns that are affecting him that  
11 aren't related to the property, perhaps. Is that fair?

12 MR. CASTRO: No.

13 CHAIRPERSON SHAPIRO: No. Okay. What is fair?

14 MR. CASTRO: What is fair is that you're correct,  
15 everybody is trying to get this resolved. Everybody has  
16 been working together to try to get it resolved. It's been  
17 a very slow, long drawn-out, as far as I'm concerned,  
18 unacceptable process. But more important than that, what I  
19 want to leave you with is that yes, everybody has been  
20 trying to work to resolve this.

21 CHAIRPERSON SHAPIRO: What can the California  
22 Horse Racing Board do? What, what do you look to us to do?  
23 We, we are trying to fulfill our obligations under racing  
24 law and rules.

25 MR. CASTRO: I, I know --

1           CHAIRPERSON SHAPIRO: What is it you're looking  
2 for us to do?

3           MR. CASTRO: Well, I, I don't know how this  
4 started a couple of months ago, but I can clearly tell you  
5 this, that in letters that I have written to the Board, I  
6 have said that I do not want this facility shut down. I've  
7 been very adamant about that. I don't want it shut down. I  
8 don't want anybody fined. But it would've been nice if  
9 maybe someone from your staff contacted maybe some of these  
10 other agencies and helped move this process along a little  
11 bit faster.

12           COMMISSIONER HARRIS: I think we're concerned  
13 about it, but, but we're not the primary agency is the  
14 problem. There's some of these other agencies are the ones  
15 that really need to act.

16           COMMISSIONER ANDREINI: If you're looking for a  
17 doctor that's going to sign off on a, on a purported injured  
18 worker, you're, you're never going to get that done. You're  
19 never going to get it.

20           MR. CASTRO: This is a company doctor. This isn't  
21 the union's doctor or his private doctor. This person filed  
22 a workman's comp case. He went to --

23           COMMISSIONER ANDREINI: His liability is the same.  
24 His liability is the same.

25           MR. CASTRO: Well, then let me change this a

1 little bit, and I'll make it personal. You know who Dr.  
2 Seftell is. He has come to these meetings.

3 CHAIRPERSON SHAPIRO: We, we know who he is.

4 MR. CASTRO: Well respected individual. This is  
5 what happened to me. For the last six months I've had a  
6 cough, a bad cough. Can't sleep nights. Spit up mucous.

7 COMMISSIONER ANDREINI: Well --

8 (Parties speaking simultaneously.)

9 CHAIRPERSON SHAPIRO: Okay. Hold on, hold on.  
10 Mr. Castro, can we just keep it to -- I hope you're feeling  
11 better. But let's just go on.

12 MR. CASTRO: I'm feeling better because on  
13 Preakness day, when I was having trouble breathing, I went  
14 and saw Dr. Seftell. First thing he told me was Richard,  
15 your lungs are full. Put me on a breathalyzer. Asked me if  
16 I had been around any mold. I've been in that damn building  
17 for six months off and on. I'm not going to sue anybody.  
18 I'm not going to even -- this is the last year we're going  
19 to hear about this. But I'm convinced that I caught  
20 something in that building walking around in there. And  
21 believe me, I'm not suing anybody, I'm not going to go see a  
22 lawyer, I don't want anything. I'm just pointing out I  
23 believe probably some of my condition was the result of the  
24 building.

25 CHAIRPERSON SHAPIRO: All right. I do hope you

1     feel better.

2                 MR. CASTRO:   Now, let's go for another one.

3                 CHAIRPERSON SHAPIRO:   No, no, no.

4                 MR. CASTRO:   We have --

5                 CHAIRPERSON SHAPIRO:   No, no.   We got it.   Okay,  
6     we got it.   What, what I suggest is perhaps you can send a  
7     letter or -- to, to our staff of what we can do to  
8     facilitate this.   This was on the agenda so that we could  
9     hopefully bring this to a resolution.   I hear the people at  
10    Surfside want to resolve it.   I hear you want to resolve it.  
11    And, and I, I don't know what else we as an agency can do.  
12    I know that we've had people down there multiple times to  
13    meet and inspect the facilities.   If there's something else  
14    that, that you need us to do, then please let us know what  
15    it is, but we're not going to solve it here today,  
16    obviously.

17                MR. CASTRO:   Well, I think Mike Knapp may share  
18    with you that part of the problem is the design of the  
19    building, and in listening to the independent testing people  
20    they recommended having testing every two to three months.

21                CHAIRPERSON SHAPIRO:   Well, if there needs to  
22    be   --

23                MR. CASTRO:   That's, that's --

24                CHAIRPERSON SHAPIRO:   -- a testing --

25                MR. CASTRO:   -- that is a long-term problem.

1 That's not going to get corrected today. That's not going  
2 to get corrected six months, or whatever.

3 COMMISSIONER HARRIS: I think this is the Cal-OSHA  
4 problem. I think what we could do is, is direct our staff  
5 to send a letter to Cal-OSHA at San Diego and express that  
6 we've got serious concerns about the health conditions  
7 there, and we'd like their, their feedback.

8 MR. CASTRO: Well, there is a Cal-OSHA claim  
9 already filed, but Cal-OSHA primarily looks for running  
10 water. They're not so much into the black mold part of it.  
11 I know that's hard to believe, but you can bet I've spent a  
12 lot of time down there in that San Diego office. It's water  
13 that they're after.

14 CHAIRPERSON SHAPIRO: Okay.

15 MR. CASTRO: And there is an open claim against  
16 them.

17 CHAIRPERSON SHAPIRO: Okay. Well, I would just  
18 direct staff to please follow up on this, and, and also  
19 perhaps we can have a, a meeting of all the parties to try  
20 and facilitate this. And maybe we can get somebody from  
21 Cal-OSHA to come to the meeting. But, you know, we, we are  
22 sympathetic to your concerns, and we'd like to get it done.

23 MR. CASTRO: All right. Two for two. ADW, I get  
24 sympathy, on this issue I get sympathy. You're consistent.

25 CHAIRPERSON SHAPIRO: Three. I hope you, you're

1 feeling well.

2 MR. CASTRO: Yeah, you have sympathy for my  
3 health. I understand that.

4 COMMISSIONER HARRIS: If I'm betting at home on  
5 ADW, can I ask the Board to intervene if, if my room is kind  
6 of stuffy?

7 MR. CASTRO: What, what did you want to do with  
8 ADW?

9 (Laughter.)

10 COMMISSIONER HARRIS: I'm at home, betting in my  
11 office, and it may be, for instance, it might be moldy in  
12 there. Can the Board come in and fix that?

13 MR. CASTRO: I don't know about that, but I, I  
14 know this, and you can put this down on the record, that on  
15 6/13, the position of Local 280 is that we no longer have  
16 ADW, so you won't have to be bothered with that anymore.

17 CHAIRPERSON SHAPIRO: All right.

18 MR. CASTRO: Remember, we don't have telephone  
19 operators.

20 CHAIRPERSON SHAPIRO: All right. We're going to  
21 move on. Thank you, Mr. Castro.

22 The next item is the staff report on the, on, on  
23 the Los Angeles Turf Club meeting that was recently  
24 concluded.

25 SENIOR PARIMUTUEL EXAMINER REAGAN: Commissioners,

1 John Reagan, CHRB staff.

2 In the package you have the standard end of meet  
3 report with the numbers and the adjustments in the handle.  
4 Obviously, an interesting meet, that the on-track attendance  
5 was very, was up, and very positive.

6 In addition, you also have included in this  
7 package a report from the investigative staff, and I am told  
8 we have a special treat today in that L.A. Turf Club at  
9 Santa Anita has a special presentation for us to observe.

10 CHAIRPERSON SHAPIRO: Well, thank you. Then we'll  
11 let them do their presentation before we ask any questions.

12 MR. GOTTERMAN: Good morning, everyone. I'm Alan  
13 Gotterman from the Los Angeles Turf Club, and I'd like to  
14 thank you for the opportunity to follow the mold report.

15 It's a great pleasure to be here today, and to  
16 report on what was a solid meet that was good for Santa  
17 Anita, certainly, but also a boost for racing in California  
18 and for the sport of racing throughout the United States.

19 First of all, I want to say we're very grateful to  
20 the gods of weather. The weather was good most of the time  
21 in January and February, and that's more than half the  
22 battle. With decent weather you can plot out a plan, and  
23 our plan was basically clear-cut. We needed to get people  
24 back to the track after one of the worst seasons ever one  
25 year earlier. There were racing fans and gamblers we knew

1 we could get back. We just needed to get their attention  
2 and give them compelling reasons to return, so we embarked  
3 on a major marketing and advertising campaign with a  
4 significantly greater budget than has been seen in this  
5 marketplace in many, many years, seeking first to find the  
6 low-hanging fruit we had lost, and second, to entice the  
7 lapsed and casual players to visit us again.

8 We engaged media pros Chuck Wenner and David  
9 Beanstock, who are also horse owners and horse players, to  
10 help put together a plan. We treated this meet as if we  
11 were a retail establishment with new offers and a new  
12 message every week, sometimes two messages a week. Our ads  
13 weren't funny or particularly clever. We weren't trying to  
14 win awards, nor were we aiming for high drama. We just  
15 wanted fans to know that if you come to Santa Anita this  
16 weekend you would have a good time, probably take home a  
17 nice souvenir, and you might win some money, too.

18 We commissioned new extensive research during the  
19 2005 Oak Tree Meet to, to learn more about our customers in  
20 order to use that research for 2006 Santa Anita.  
21 Overwhelmingly, the research showed that other than our  
22 biggest days, customers were mostly coming from a 12 to 15  
23 mile radius surrounding Santa Anita. So our media dollars  
24 were spent accordingly to reach more people from the  
25 neighborhood, so to speak. Our awareness level in the area

1 surrounding Santa Anita went through the roof, and on our  
2 biggest days we had all of Los Angeles County on broadcast  
3 and cable.

4 All winter long and into the spring, Santa Anita  
5 was a very visible media player in the L.A. marketplace.  
6 The winter team did an excellent job of stretching our media  
7 dollars, mostly on TV, and instead of being on the air with  
8 three buys for a few days leading up to our biggest races,  
9 we were on the air in selected high profile areas every week  
10 for 18 weeks. And not just on the air. Our spots played  
11 regularly on high profile programming such as Jay Leno,  
12 David Letterman, Saturday Night Live, Lakers playoffs,  
13 Dodgers games, the Today Show and Good Morning America, as  
14 well as the nightly newscasts.

15 Once we had the research in place, we plotted out  
16 a promotional campaign utilizing attractive premium items,  
17 compelling direct mail offers, e-mail blasts, micro-brewn  
18 combined with live entertainment, a rewards program based on  
19 increased attendance, and an aggressive free pass program  
20 good on some of our most important days, because the  
21 research also indicated that many of our customers believed  
22 they were paying too much before their day even started and  
23 they would come more often if the entire track experience  
24 wasn't as expensive.

25 Our plan involved using one big day to promote the

1 next big day, and it was vital to our marketing strategy  
2 that we blast a home-run out of the ballpark on opening day  
3 so that our other efforts would fall in place later. With  
4 an eight day media build-up reminding television viewers and  
5 newspaper readers that the day after Christmas belonged to  
6 Santa Anita, and a handful of passes good for later in the  
7 meet, this opening day got us off on the right foot. A  
8 crowd of 34,000 showed, and they wagered \$5.8 million. The  
9 opening day crowd was the largest since 1999, and the handle  
10 was the highest for an opening day in the seven-year history  
11 of Santa Anita.

12           You know, during the winter/spring meet you don't  
13 get much in the way of major holidays to work with, or the  
14 Kentucky Derby or Triple Crown simulcasts. There are  
15 basically three high profile showcase dates during the LATC  
16 meet, opening day, big cap day, and Santa Anita Derby Day.  
17 We were determined to turn sunshine millions into another  
18 main event, and turn our big three into a big four.

19           With some help from our promotional efforts on  
20 opening day, Santa Anita went a long way to establishing  
21 sunshine millions as a major event on the Southern  
22 California circuit, with a crowd of 32,000, an 81 percent  
23 increase from 2005, and a record for the event. On track  
24 handle jumped 15 percent to four and a half million dollars.

25           Next, with help from sunshine millions, big cap

1 day shattered records with its highest recorded attendance  
2 in 16 years, 49,000, a 37 percent increase from the previous  
3 year. The handle increased too, to over 6.6 million on  
4 track, and over \$24 million nationally.

5           With a push from big cap day, Santa Anita Derby  
6 Day recorded attendance was over 50,000, the highest in 22  
7 years, and the handle rose to over the \$6 million mark on  
8 track. An aggressive group sales effort led by New Group  
9 Events Director Chris Quinn produced the largest amount of  
10 groups and individuals in groups in five years. In all, six  
11 days produced crowds of over 20,000 fans. Mike Carlo and  
12 Rick Hammerly in the race office did a superb job putting  
13 together solid fields all season long. The field size  
14 averaged 8.6 starters. We're talking quality and quantity.  
15 The improved business led to two significant purse  
16 increases.

17           So for this year, racing was alive and healthy at  
18 Santa Anita. Our industry's needs in California will remain  
19 very -- still remain very much intact, but this past season  
20 was a positive boost for all of us, and Santa Anita on many,  
21 many days was a joyous place to be.

22           We're there for other reasons -- were there other  
23 reasons that we did better this past year? Absolutely.  
24 Give credit to the efforts of Mike Willman, who's sitting  
25 right next to me, the seasoned broadcast veteran who Ron

1 Charles hired to be the new publicity director at Santa  
2 Anita. Mike is not your conventional PR guy. Mike is a  
3 throw-back to another time when the PR guy would be a bit of  
4 a bulldog until he got what he wanted. We watched Mike this  
5 year call, visit, cajole, hound, and get a remarkable amount  
6 of attention for Santa Anita, and thoroughbred racing  
7 imprinted on television.

8 Mike.

9 MR. WILLMAN: Thank you very much, Alan. Mike  
10 Willman, Director of Publicity at Santa Anita. It's an  
11 honor to address the CHRB. It's my first time here.

12 Alan touched upon I think the most important  
13 things, and if you've heard me on the radio after the last  
14 15 years occasionally rant and rave, in my opinion there is  
15 no single thing anymore important to the viability and long-  
16 term success of our business than on-track attendance. It  
17 creates a buzz. I think we see that every year at Del Mar.  
18 They put up those huge numbers opening day, and it just gets  
19 the ball rolling. You've got to establish momentum. We, we  
20 were blessed that the, the, you know, the clouds kind of  
21 broke at about noon on opening day and we got about 35,00  
22 people in there. I think we'd've done a lot better had we  
23 not had the threatening skies.

24 We had a ton of media attention that morning, and  
25 it was due to a lot of hard work. I want to say this. In

1 support of my contention on the on-track attendance thing,  
2 we have an awful lot of friends in the media here in metro  
3 L.A. and Orange County, which, as you know, we have about 16  
4 million people here. It happens to be the number two media  
5 market in the country. We have a lot of friends in media in  
6 positions of power, also talent, and just beat reporters.  
7 The one thing I heard from Day One when I started getting  
8 after people at Del Mar, when Ron had, had given me the job,  
9 was, you know, we really don't see that many people  
10 attending out there anymore.

11 If, if you want to be a major league sport, you've  
12 got to act like one. And one of the things in conjunction  
13 with that is you better start getting some people there to  
14 the venue. I think we're all in agreement, during the week  
15 that's a very tough proposition, but on the weekends Santa  
16 Anita is just, for me, it's a dream come true to be working  
17 there. We, we've got the facility. We were able to really  
18 do some good things.

19 This is no time, no place, no market for small  
20 ball, and thanks to Ron Charles and the philosophy that he's  
21 imbued, we, we do not intend to play it. It takes a lot of  
22 investment, a lot of hard work, and when those editors, when  
23 those producers start seeing the numbers on track, it makes,  
24 it makes it easy for them to follow what they really want to  
25 do, and that is cover us, because they have the cover from

1     their superiors by virtue of our on-track numbers.

2             And I want to say KCBS Channel 2 was a terrific  
3     adjunct to our meet, and, and to what television coverage we  
4     had. We cut a deal with them whereby they were cutting us  
5     in for about five to six minutes on Saturdays, not every  
6     Saturday through the meet, but it turned out to be a very  
7     good thing, gave us an awful lot of over the air exposure  
8     which, as you know, is so, so tough to come by. And if you  
9     have to buy it, it's really tough.

10            We didn't have to buy it, they were happy to have  
11     us, and we helped their ratings. Which, for the people  
12     involved in making the decisions, that, that just, it really  
13     makes it easy for everybody.

14            So, anyway, thank you for having us here, and  
15     we're open to build upon what we started here at this  
16     winter/spring meet.

17            CHAIRPERSON SHAPIRO: Well, Alan and Mike, and to  
18     all the Santa Anita people, I'm sure everyone can speak for  
19     themselves, but I think it was a phenomenal job you did.  
20     Every time I was out there I maybe got a hello, but you were  
21     going by so fast with some group, Mike, it was unbelievable.  
22     And Alan, I agree, and I know how hard everybody worked.  
23     And I can just tell you that the biggest fan you have is my  
24     five-year old, who thanks you for the jockey day and all the  
25     other stuff. But I just think you guys did such a great job

1 for California racing, and for all of racing, that it's  
2 wonderful for us to get a report with these kind of numbers.  
3 And I just congratulate you and thank you. It was just  
4 terrific.

5 MR. WILLMAN: I just want to say one other thing.  
6 You mentioned jockeys. When the athletes, when the horsemen  
7 and those guys in the white pants, starting with opening  
8 day, when they see the kind of media coverage that we're  
9 able to generate, it gets everybody kind of going in the  
10 same direction. And they, they were just tremendous in  
11 availing themselves, and we're seeing it right now through  
12 the Triple Crown. Unfortunately, we've had the terrible  
13 mishap this past Saturday.

14 CHAIRPERSON SHAPIRO: Well, just congratulations  
15 again. I'm sure everybody joins me in, in that, that it was  
16 just wonderful racing. And to, to be there with 54,000  
17 people.

18 MR. WILLMAN: One last thing, Richard. Through  
19 courtesy of Benoit and Associates, we have up in our office,  
20 it's --

21 CHAIRPERSON SHAPIRO: Well --

22 MR. WILLMAN: -- the attendance on the Big Hat Day  
23 on the big board, so.

24 CHAIRPERSON SHAPIRO: Thank you.

25 MR. WILLMAN: Thank you.

1           CHAIRPERSON SHAPIRO: Thank you very much.

2           All right. We're going to cruise right through  
3 this because we're getting to the end, and the court  
4 reporter gave the thumbs up. So we're --

5           COMMISSIONER HARRIS: Are we having a tour after  
6 this?

7           CHAIRPERSON SHAPIRO: Well, we have still things  
8 on the agenda.

9           COMMISSIONER HARRIS: Yeah, I, I know. But --

10          CHAIRPERSON SHAPIRO: After the meeting there will  
11 be stable tours for those people that wish to go on the  
12 stable tour. So if you'll just, I guess, let us know, or  
13 Roy, I know that, that people here were kind enough to --

14          ASSISTANT EXECUTIVE DIRECTOR MINAMI: Yes. After  
15 the meeting is adjourned there'll be a bus at the end of  
16 Tunnel 1, which is just outside of the executive offices.  
17 So anybody who wants to go on the tour should ride the bus,  
18 because they wouldn't be allowed individually.

19          CHAIRPERSON SHAPIRO: Okay. Thank you.

20          All right. General Business. Is there anything  
21 that needs to come before the Board under General Business?

22          MR. HALPERN: Ed Halpern, California Thoroughbred  
23 Trainers. I just wanted to take a, a moment to possibly  
24 embarrass a couple of people on the Board.

25          A few months ago Commissioner Bianco came to the

1 California Thoroughbred Trainers and said he thought it was  
2 important that we try to do something for backstretch  
3 workers by way of helping them to file tax returns. He made  
4 a very generous contribution to help get that done, and, and  
5 due to his generosity and then some additional generosity  
6 that was necessary from Oak Tree and Chilli stepped up, as  
7 he always does, when it, when it involves backstretch help,  
8 we were able to do 151 tax returns for backstretch workers,  
9 and it was a great start to the program. And many of those  
10 workers we not only did tax returns for this year, but we  
11 brought them up to date so that they've caught up with the  
12 government.

13           So that was a great project, and we hope to expand  
14 on that. And I wanted to thank both of them publicly for,  
15 for doing that. It was beyond the call of duty.

16           Another one I wanted to thank, and hope I, I'm not  
17 embarrassing, is the -- our scholarship program recently had  
18 the largest donation we've ever had. Jerry and Ann Moss  
19 gave us a donation that will serve the children of  
20 backstretch workers for many, many years. Over the past  
21 three and a half years, we've given out 180 scholarships,  
22 and because of their generosity we will be able to give out  
23 many, many, many, many more over the next few years.

24           So thank you both very much. Appreciate it.

25           (Applause.)

1           CHAIRPERSON SHAPIRO: Nice going, and that's very  
2 nice, and --

3           MR. JAMGOTCHIAN: Mr. Chairman --

4           CHAIRPERSON SHAPIRO: -- it's very good.

5           MR. JAMGOTCHIAN: -- Jerry Jamgotchian. You know,  
6 I've asked for the last four months for a rule book.  
7 There's still no rule book. Anybody care about putting out  
8 a rule book?

9           CHAIRPERSON SHAPIRO: Mr. Jamgotchian, I am going  
10 to tell you that I know that they are being printed, and  
11 I --

12          MR. JAMGOTCHIAN: I've heard that now for two  
13 months.

14          CHAIRPERSON SHAPIRO: No.

15          MR. KNAPP: Point of order. We are not --

16               (Parties speaking simultaneously.)

17          CHAIRPERSON SHAPIRO: Okay. Mr. Jamgotchian,  
18 let's not play games.

19          MR. JAMGOTCHIAN; Well, you --

20          CHAIRPERSON SHAPIRO: I know you have one. No,  
21 no, just let me finish. They are being printed, and I  
22 believe that they will be done in one or two months, but I  
23 know that they were, and we're going to check on them today.  
24 So they are being printed.

25          MR. JAMGOTCHIAN: Secondly, with regards to the,

1 the hiring of Mr. Arthur. I note that he's going to retain  
2 an office in southern California. Ms. Fermin retains an  
3 office in southern California, the Del Mar area. Would the  
4 Board entertain maybe moving the CHRB office to southern  
5 California, since northern California racing is somewhat  
6 nondescript? Is that a good idea, maybe?

7 CHAIRPERSON SHAPIRO: You know, first of all, the  
8 offices, there are a lot of people from Sacramento and we  
9 have a lot, being a state agency. I don't know that that  
10 would be practical. And there's a lot of interaction with  
11 the state, so I don't know if that's possible. And Dr.  
12 Arthur's office, it's not yet been determined as to where it  
13 will be.

14 MR. JAMGOTCHIAN: In the press release it was  
15 stated that you would retain an office in southern  
16 California.

17 CHAIRPERSON SHAPIRO: But the exact location is  
18 not determined.

19 MR. JAMGOTCHIAN: Okay, because my concern is --  
20 sorry. Because my concern is that I'm sure there's a lot of  
21 money being spent traveling back and forth, hotel rooms, by  
22 CHRB personnel that could be better utilized in the horse  
23 racing industry. So I think you ought to consider that.  
24 I've requested, through a public records request, Ms.  
25 Fermin's expense accounts to see just how much money is

1    being spent.  Because it seems to me that's kind of a waste.  
2    Maybe the office should be in southern California.

3                Additionally, about three months ago I requested  
4    the Board to address the fact that unlicensed people are in  
5    the backstretch monitoring the stakes horses and taking  
6    videos, and I'm just wondering if anything's been done with  
7    regards to that.

8                CHAIRPERSON SHAPIRO:  I'm sorry, I didn't hear  
9    your question.

10               MR. JAMGOTCHIAN:  Okay.  I had a horse in this  
11   Will Rogers --

12               CHAIRPERSON SHAPIRO:  Congratulations.  I saw you  
13   won, and --

14               MR. JAMGOTCHIAN:  Thank you.

15               CHAIRPERSON SHAPIRO:  -- I was very pleased for  
16   you.

17               MR. JAMGOTCHIAN:  Well, the, the person that was  
18   monitoring my horse was unlicensed.  And I, I'm just  
19   wondering, the rules say that anybody in the back has to be  
20   licensed, yet I got an unlicensed person monitoring my  
21   horse.  I mean, I, this, it's a violation of the rules.  And  
22   more importantly, you're risking something happening by  
23   somebody with no background check, and certainly no license.  
24   Is that something that, that should continue, Mr. Shapiro?

25               CHAIRPERSON SHAPIRO:  Mr. Jamgotchian, I think, as

1    you know, I believe that the licensing, the licensing of  
2    those people that walk those horses, there are some  
3    arrangements made whereby they are allowed in the stable  
4    area for that express purpose through the company that  
5    they're contracted with.

6               MR. JAMGOTCHIAN:   But --

7               CHAIRPERSON SHAPIRO:   That's my understanding.  
8    But I, I don't have any personal knowledge of, of the  
9    individuals or the exact agreements.

10              MR. JAMGOTCHIAN:   Well, during a deposition of --  
11    Ashe and Brenner, he mentioned the fact that there would be  
12    no controls on these people, and that they could be felons  
13    or they could be race fixers, they could be anybody.  So I  
14    think it's important that the Board determine if they want  
15    unlicensed people to monitor horses.

16              CHAIRPERSON SHAPIRO:   Okay.  Thank you.  I, I  
17    think we'll have staff get back to us and tell us.

18              MR. JAMGOTCHIAN:   Well, I, I asked you to do that  
19    three months ago.  I'm hopeful something will happen.

20              CHAIRPERSON SHAPIRO:   Thank you.

21              MR. JAMGOTCHIAN:   With regards to I talked about  
22    the Hollywood Park issue on the historical monument.  So  
23    you, you're aware of that, I suspect.  But I have another  
24    question with regards to maybe what the Board should be  
25    doing to determine whether the casino at Hollywood Park has

1 a continuous operations clause with regards to the  
2 racetrack. As a horse owner and someone that's concerned  
3 about Hollywood Park retaining an operation, if the casino  
4 had a requirement of a conditional operations clause on the  
5 racetrack, I think that's something that all of us would  
6 like to know. And I think the Board should know, because if  
7 there's a continuous operations clause, obviously I don't  
8 think Hollywood Park's going to be closing.

9 So maybe you could have staff check into that to  
10 see if there is such a clause.

11 CHAIRPERSON SHAPIRO: Mr. Jamgotchian, I don't  
12 believe that the Hollywood Park casino, which is not  
13 something that we oversee, has a continuous operating  
14 provision, or how that would affect the operation of  
15 Hollywood Park, because really the Board's -- it hasn't  
16 anything to do with the Board.

17 I believe that the property is privately owned,  
18 and therefore whatever leases they have and whatever terms  
19 are contained within those leases would be something that  
20 the racing association would have to deal with. I don't  
21 think it has anything to do with the Board.

22 MR. JAMGOTCHIAN: Well, wouldn't you, as the  
23 Board, have the ability to request Hollywood Park to provide  
24 you any condition -- continuous operation clause  
25 requirements they have with regards to the racetrack?

1           CHAIRPERSON SHAPIRO: I don't, I don't see what  
2 the pertinence of that is, and whether or not they have a  
3 sub -- a tenant or a sub-tenant, or whatever else is on  
4 their property and whether they're using it for, for a  
5 purpose unrelated to horse racing, would have any bearing on  
6 us.

7           MR. JAMGOTCHIAN: Well, I think it's important  
8 because if there's a continuous operations clause, that  
9 track might never close.

10          CHAIRPERSON SHAPIRO: Well, again, A, we don't  
11 know if there's a continuous operation clause. B, we don't  
12 know what the terms of that are. And C, I don't see where  
13 it has any bearing on this.

14          MR. JAMGOTCHIAN: So it's not of interest to you,  
15 then?

16          CHAIRPERSON SHAPIRO: No, it's not.

17          MR. JAMGOTCHIAN: Okay. All right.

18          Finally, the court ordered Ms. Fermin's deposition  
19 date, and we're looking forward to taking her deposition.  
20 Thank you.

21          CHAIRPERSON SHAPIRO: Thank you.

22          All right. The next item on the agenda is old  
23 business, I believe. Is there anything that needs to come  
24 before this Board under old business?

25          There being none, then -- oh, one thing.

1 EXECUTIVE DIRECTOR FERMIN: Excuse me. Just  
2 before we close the meeting, we've had a request from the  
3 court reporter that anybody who has spoken, if they would  
4 submit business cards so that the record would be correct  
5 and the spelling of the names and whatever organization you  
6 represent would be correct in the minutes. If you could  
7 comply with that.

8 CHAIRPERSON SHAPIRO: I would, I would like to  
9 thank everybody for coming today, and I would like to also  
10 remind you that the next Racing Board meeting is on June  
11 22nd, and it will be at the Maddy Laboratory at UC Davis.  
12 It's not going to be at a racetrack, which will be  
13 interesting, and we're going to get out and be able to see  
14 exactly what the Maddy Lab does. And so we're hoping that  
15 it'll be educational and informative for everybody.

16 Otherwise, thank you, and have a good night.

17 COMMISSIONER HARRIS: Yeah. We'll probably have a  
18 tour before or after that. It's a very informative thing to  
19 look at.

20 (Thereupon, the meeting of the California  
21 Horse Racing Board was adjourned at  
22 5:55 p.m.)

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24  
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## CERTIFICATE OF REPORTER

I, TROY A. RAY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing Meeting of the California Horse Racing Board; that thereafter the recording was transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, or in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of June, 2006.

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345